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U.S. Reclaims Factory Jobs As Recovery Grows Wider

Prospect of Expansion
 With Little Inflation
 Pushes Markets Higher

By Lawrence Malkin
 International Herald Tribune

NEW YORK — The government reported Friday that manufacturing jobs began to increase in November, indicating economic recovery was at last extending to the U.S. labor market.

The unemployment rate fell to 7.2 percent from 7.4 percent and is now half a percentage point below July. Until now, this decline had been deceptive because it reflected the fact that thousands of discouraged workers were dropping out of the labor force and lowering the base against which the percentage is calculated. But last month, the rate fell even as 279,000 people moved back into the labor force by declaring they were ready to look for work.

Private and government economists pinpointed the 35,000 new jobs in manufacturing as the most significant figure in the monthly employment report. The economy has lost more than 150,000 factory jobs in three months and now seems to be climbing back on small increases in retail sales, factory orders and a general rise in confidence.

For the economy as a whole, the gain was 105,000 new jobs, but 45,000 of them represented temporary local government workers for the November elections. Subtracting them brings the figure close to what many economists had expected, but still includes some post-election hiring.

"From now on the growth in payrolls will be steady but not high," said Audrey Freedman, a labor economist and president of the consulting firm Manpower Plus. "We are fighting negative trends — a decline in economies overseas, which will cut our export jobs, and a continuing cutback in military spending that means major readjustments in the labor force."

This slow-growth scenario was comforting to the financial markets, which saw it as relaxing the political pressure on President-elect Bill Clinton for a quick stimulus package that might frighten bond buyers into demanding higher interest rates. The government bond market advanced, which helped the dollar rise about a penny against the Deutsche mark. Stock prices firmed in choppy trading.

It is also becoming clear from statements by Federal Reserve governors that they are prepared to accommodate an economic recovery by neither tightening nor loosening the availability of credit as long as inflation remains low. The Fed chairman, Alan Greenspan, whose leadership of the central bank drew praise from Mr. Clinton during the campaign, paid his first visit to the President-elect in Little Rock, Arkansas. Neither said anything afterward.

Exactly how fast the economy now will improve is a principal subject of speculation in New York, Washington, and Little Rock. "Not too cold, not too hot, just right," remarked Edward Yardeni of C.J. Lawrence, reflecting a common Wall Street view.

Economic growth of 3 percent next year, which many economists think is within halting distance, would cut unemployment by an additional half a percentage point, said Allen Sinai of Boston Co., putting the new president in "a win-win situation." He added: "The economy is up and running. Whether to apply stimulus is still a judgment call. I don't think it's needed, although there should be a program ready to go just in case."

Lawrence Katz, a Harvard University labor economist who has advised Mr. Clinton, said it

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'We will not tolerate armed gangs ripping off their own people, condemning them to death by starvation.'



Soldiers from the army's 10th Mountain Division going through a readiness check at Fort Drum, New York, for deployment to Somalia.

U.S. Rekindles Issue of Serbs' Flight Ban

By Elaine Sciolino
 New York Times Service

WASHINGTON — The United States, having concluded that Serbia is routinely violating the UN ban on flights over Bosnia-Herzegovina, is consulting its allies on a possible resolution authorizing force to stop the flights, according to senior administration officials.

The officials said that the United States might be prepared to introduce a resolution at the United Nations as early as next week enforcing the ban, which could eventually lead to allied combat planes threatening to shoot down Serbian aircraft that defy the ban.

The ban was imposed by the United Nations in October to try to stop Serbian forces advancing through Bosnia in their campaign of "ethnic cleansing," in which they have killed or expelled Muslims and Croats. At the time, there were warnings that enforcement of the ban could lead to problems.

The Serbs never ceased flying transport helicopters and gunships and they resumed flights of fixed-wing warplanes in mid-November, officials said. In the last month and a half, the United States has confirmed more than 200 unauthorized flights.

European and U.S. officials have been reluctant to do anything about the violations because they do not want allied peacekeeping forces in the area to become targets or be sucked further into the war raging in the Balkans after the breakup of Yugoslavia last year.

Acting Secretary of State Lawrence S. Eagleburger is expected to raise the issue with more than two dozen foreign ministers at a conference on Bosnia in Geneva this month.

The British government Thursday gave its strongest public indication that it might be willing to support some degree of enforcement of the ban. But there remains considerable disagreement inside the Bush administration over whether to enforce the ban, and if so how, with some officials questioning the wisdom of using allied combat planes to shoot down Serbian aircraft.

U.S. officials who favor maintaining the status quo, including a number of senior Pentagon officials, argue that imposition of the ban has

See SERBS, Page 5

Bush Sends Force To Somalia, With Clinton's Support For Mercy Mission

Compiled by Our Staff From Dispatches

WASHINGTON — President George Bush, pledging to "save thousands of innocents from death," ordered Marines and army soldiers Friday to Somalia to begin America's largest military humanitarian mission.

"We will not tolerate armed gangs ripping off their own people, condemning them to death by starvation," Mr. Bush said in an address from the Oval Office.

It was an extraordinary situation for the United States, with a lame-duck president committing American forces to a military humanitarian operation 47 days before President-elect Bill Clinton takes power.

"I share his determination to ensure the success of this important mission," Mr. Clinton said in Little Rock, Arkansas.

Mr. Bush pledged that U.S. forces would come home as soon as possible, but the administration backed away from its earlier goal of withdrawing them by Inauguration Day, Jan. 20.

About 250,000 Somalis have died and 1.5 million are at risk of death from starvation and disease, Mr. Bush said. He tried to assure Americans that he was not starting a long involvement.

"This operation is not open-ended," he said. "We will not stay one day longer than is absolutely necessary."

Defense Secretary Dick Cheney said there should not be "an artificial deadline established by our own political calendar." He said he hoped to begin turning over the operation to UN forces by the time Mr. Bush leaves office, "but I don't want to be bound by that."

Mr. Bush said "Operation Restore Hope" was officially under way, although Pentagon officials said a vanguard force of 1,800 Marines was expected to land in the northeast African nation no earlier than Monday.

The Pentagon diverted a three-ship battle group headed by the aircraft carrier *Ranger* to Somalia from the Gulf. The carrier was expected to arrive off Somalia's coast on Monday.

Mr. Bush said he expected forces from "about 40 nations" other countries to contribute to the operation, which was authorized on Thursday in a 15-0 vote by the UN Security Council.

The African nations of Kenya, Nigeria and Zimbabwe offered troops. President Francois Mitterrand said France would send 1,500 to 2,000 troops. Canada announced that it would contribute as many as 900 troops, and Belgium agreed to send 550 paratroopers.

Britain probably will offer the use of transport planes. Officials said Prime Minister John Major has told Mr. Bush that Britain would be a major force during the Gulf War, would not participate in the ground operation in Somalia because of its commitment in Bosnia, where 2,400 British troops are involved in relief convoy escort operations.

In Rome, Foreign Minister Emilio Colombo said Italian troops should reach Somalia by the end of this month. The exact composition of the Italian force that will be joining the U.S.-led military operation has still not been worked out. Italy ruled much of Somalia as a colony for half a century.

Germany will not send any troops. It contends that its constitution bans its army from deployment outside the North Atlantic Treaty Organization.

Mr. Cheney, at a news briefing at the Pentagon, said: "The president has made it clear that

he wants us to undertake this mission in as decisive a manner as possible." He said the U.S. force would include 28,150 troops.

"It is militarily doable," Mr. Cheney said. "We are not seeking a confrontation, we are not going expecting that we will be engaged in heavy combat."

But he added: "There should be no doubt who would prevail should there be hostilities."

Mr. Cheney, emphasizing that U.S. forces were militarily prepared to make sure aid supplies reach the needy, offered reassurance that the United States was not seeking to engage the feuding Somali warlords.

He said the Bush administration wanted to "urge our friends" not to "overplay" the situation. "We are not seeking a confrontation," he added.

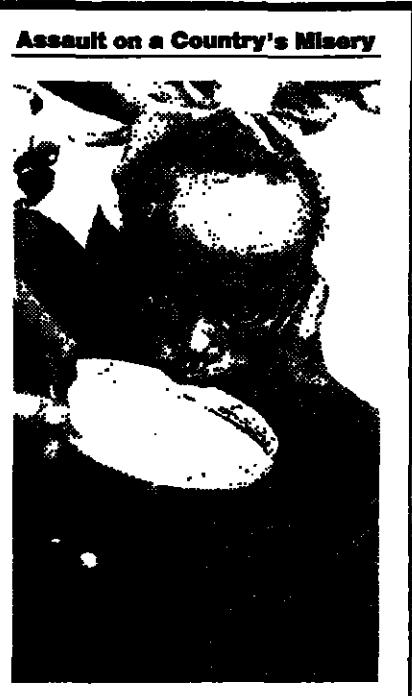
Mr. Bush said that the U.S. forces would not dictate the political outcome of Somalia's internal strife and that they intended to secure areas for relief agencies to work in peace.

Mr. Bush said America had been compelled to act. "Only the United States has the global reach to place a large security force on the ground in such a distant place quickly and efficiently and thus save thousands of innocents from death," he said.

The carrier *Ranger*, with its complement of 60 combat warplanes, is accompanied by the *Aegis* cruiser *Valley Forge* and the destroyer *Kinkaid*.

At the press briefing with Mr. Cheney, Gen-

See DEPLOY, Page 2



Assault on a Country's Misery

Japan has yet to contribute more than just money to the allied effort. Page 2.

The Somalia project has pulled George Bush from his postvote doldrums. Page 3.

Paving the way for help to arrive involves a major engineering job. Page 2.

Financial Markets Get Back on the Roller Coaster

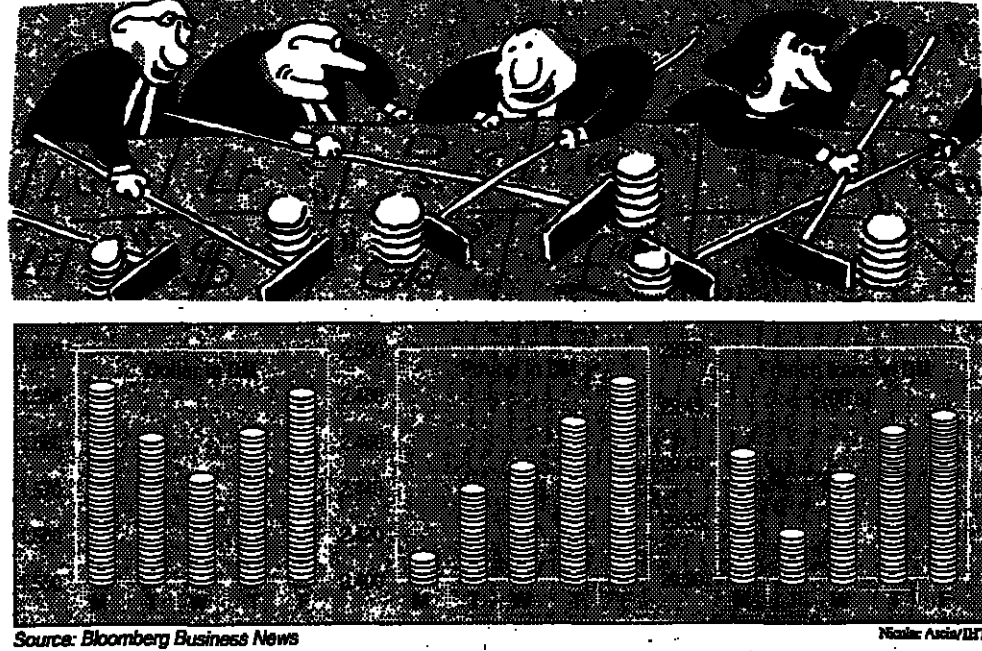
By Tom Redburn
 International Herald Tribune

PARIS — Just when it looked as if all too many financial markets might be in danger of becoming altogether too predictable, traders were reminded just how quickly things can turn upside down as the pound, the Deutsche mark and the Hong Kong stock exchange flip-flopped.

The battered pound, which had been in retreat since it was forced out of the European currency grid in mid-September, staged a strong rally this week. Meanwhile, the almighty mark took a painful hit, helping to rescue — at least for now — the vulnerable French franc from another speculative attack.

As if in a time warp from the days of the British Empire, more than one analyst even referred to "sterling's safe-haven role."

In Hong Kong, despite the bluntest warning yet from Beijing against Chris Patten's democracy campaign — China threatened to tear up the 1997 hand-over agreement — the blue-chip Hang Seng index surged Friday after four



Source: Bloomberg Business News

days of panicky trading. While analysts warned of more sudden dips in the roller-coaster ride, the Hong Kong stock market regained nearly 6 percent of its losses.

The Hang Seng, which fell more than 1,000 points earlier in the week, gained 289.89 points on Friday, to 5,268.10. (Page 9.)

The action on both sides of the globe was yet another warning, if anyone still needed one, of how easy it is for supposedly ultrarational financial markets to come to resemble a Las Vegas crash-shoot.

There were more surprises in U.S. markets, where bonds gained despite a somewhat stronger-than-expected November employment report, which normally would have been expected to undermine any rally. The dollar, which typically rises as the economy gains strength, mostly treaded water.

Explanations abounded, of course, for the seeming paradoxes. Evidence of a stronger U.S. economy, for example, may encourage President-elect Bill

See LOTTO, Page 11.

Mogadishu Awaits Troops With Hope and Anxiety

By Jane Perlez
 New York Times Service

MOGADISHU, Somalia — As the first ship of the American-led United Nations military intervention to save starving Somalis was sighted off the coast here this morning, this capricious city swirled in an uncertain atmosphere of anticipation but also disquiet.

Much of the anxiety had little to do with whether the hungry, who are in the countryside, would get food, but how order would be restored in a city terrorized for two years by gangs of teenage gunmen with a license to loot.

Would the troops protect Somalis against other Somalis, many asked. Law-abiding people were worried that they would become the prey of looters no longer able to live by robbing humanitarian convoys and warehouses.

And merchants who have profited more than the destitute from the relief aid were concerned that the gunmen they had hired to ambush convoys might suddenly turn on them if the convoys became looter-proof.

The tensions showed that the people of Mogadishu, weary of lawlessness spawned by a two-year clan conflict, wanted more from the arriving troops than well-organized food convoys.

"People are asking how will the United States protect Somalis against looters," said Adan Mohammed Ali, a journalist, who like almost all legitimately employed Somalis works for a relief agency.

"The gunmen were making their living off donated food," he said. "If they don't have food to loot the danger will now be against the local houses and markets. It is impossible for these gunmen to take a begging bowl and stand in line."

Estimates differ on the number of armed men in the southern part of Mogadishu, where the first targets of the American troops — the port and the airport — are situated.

Some longtime relief workers believe there may be as many as 50,000 armed "paramilitary men" hidden amid the sprawling shacks and squatting in some of the deserted whitewashed villas that dominate the skyline here.

The International Committee of the Red Cross, which has established 140 outdoor kitchens in the south of the city, and a similar number on the north side, said that it always

See SOMALIS, Page 2

Kiosk EC Group Rejects British Proposal

BRUSSELS (Reuters) — The Christian Democrat leaders of Germany, Belgium, Greece and Luxembourg objected Friday to proposals by Britain, the current European Community president, to overcome Denmark's rejection of the Maastricht treaty.

Wilfried Martens, a former Belgian prime minister, said after talks to coordinate stances before next week's EC summit meeting in Edinburgh that all wanted a Europe of 12 but would press ahead with fewer countries if governments proved unable or unwilling to accept their commitments.

Related Article, Page 9.

Dow Jones	Up 12.15	Trib Index	Up 0.08%
	3,288.88		90.19
The Dollar			
New York	1.593	Previous Close	1.593
London	1.593		1.594
Yan	124.95		124.67
FF	5.407		5.3875
Crossword	Page 18.		
Weather	Page 18.		

Take It From Her, the Judge: Lighten Up on Men

By David Margolick
 New York Times Service

NEW YORK — Maryanne Trump Barry likes to joke that in New York she may be seen merely as Donald Trump's sister but that in New Jersey, where she has been a federal judge since 1983, Donald Trump is seen primarily as her brother. That was arguably true last month, when her heterodox views on sexual harassment made Page 1 of many of the state's newspapers.

Since President Ronald Reagan named her to the U.S. District Court, Judge Barry, Donald Trump's older sister, has won praise for her intelligence and outspokenness. It was her outspokenness that was most evident on Nov. 20 when she told 900 federal law-enforcement agents in Washington, most of them female, that women should lighten up a bit on the subject of sexual harassment.

Judge Barry said that undue sensitivity and an excessively confrontational attitude of some women in the workplace was poisoning relations between the sexes.

Because of a few "professional hypochondriacs," she said, good and well-meaning men are afraid to be themselves, and the more serious problems women face in the work force remain unaddressed.

"I stand second to none in condemning sexual harassment of women," she told the Interagency Committee on Women in Law Enforcement. "But what is happening is that every sexy joke of long ago, every flirtation, is being recalled by some women and revised and re-evaluated as sexual harassment. Many of these accusations are, in anybody's book, frivolous."

Making a big deal out of slight slights, she argues, not only angers men needlessly but trivializes the serious problems women face in advancing in the predominantly macho male world of law enforcement. It also has made

See FLIRT, Page 5

To Pave the Way for Somalia Aid, a Major Engineering Job

By John Lancaster
Washington Post Service

WASHINGTON — The first days of the U.S.-led military relief effort in Somalia will essentially amount to a massive 24-hour-a-day engineering project aimed at setting up adequate port and airfield facilities in the capital of Mogadishu, according to Pentagon officials.

That will occur simultaneously with the arrival of roughly 23,000 Marines and army soldiers, most of them flown from the United States, who are to be deployed as needed around the country to ensure the delivery of food to starving Somalis, the officials said.

The Pentagon plans for the overall number of U.S. military personnel to grow eventually to about 27,000, sources said.

Other countries that have pledged to contribute troops to the relief effort are France, Pakistan, Morocco, Italy, Belgium, Canada and Egypt, while five more

nations have made tentative offers, according to a senior White House official. Pakistan has already deployed a small peacekeeping force to the Mogadishu airport under UN auspices.

"This will definitely be an expeditionary environment, living off the land and off of what you brought with you," the Marine Corps commandant, General Carl E. Mundy, said in an interview Thursday. "The infrastructure is very, very rugged."

As General Mundy and other officials described it, the operation essentially will begin with a helicopter and amphibious landing in Mogadishu by 1,000 Marine combat troops from the floating task force. Once airport staging areas have been set up, the remainder of the troops are expected to begin arriving on air force transport planes from the United States.

General Mundy and other Pentagon officials played down expectations of violent conflict with armed Somali clans-

men, saying the emphasis would be on peacekeeping and humanitarian aid.

"We don't anticipate this to be an assault in the sense of hitting a hot zone and start shooting people," General Mundy said. "The ultimate purpose is to feed the people, to establish food distribution points... to say, 'We are here to help.'"

Pentagon officials do not officially reveal the rules under which U.S. troops are allowed to use their weapons in military operations, although General Mundy said he expected that Marines who come under fire in Somalia will be able to defend themselves.

"I would hope the rules of engagement would say we can shoot back, and I would think they would," he said.

Pentagon officials said the plan, prepared by General Joseph P. Hoar of the Marine Corps, chief of the Central Command, envisions a mostly ground-based operation with no need for attack heli-

copters or tactical aircraft. They said, however, that the aircraft carrier *Ranger* was in the Indian Ocean and could be called upon if a stronger show of force became necessary.

Pentagon officials have generally played down the suggestion earlier this week from the UN secretary-general, Boutros Boutros Ghali, that military force be used to disarm Somalis and "neutralize" their heavy weapons.

General Mundy and another senior Pentagon official who asked not to be identified said military planners are considering whether to offer bounty payments to those Somalis who are willing to turn in their weapons, a strategy commonly used in Vietnam and, more recently, during the Gulf War.

Pentagon officials emphasized that the U.S. led forces will not be able to begin moving into the countryside to set up secure areas until the port and airfield at

Mogadishu have been adequately prepared.

The port, for example, is so shallow that it may pose problems for military cargo vessels. The docks lack cranes for unloading supplies. The airport parking area is not large enough to handle the large number of military aircraft that would be involved in the operation. The runway, too, has fallen into disrepair and may need to be improved.

Pentagon officials contrasted the situation with that in Saudi Arabia during the buildup to the Gulf War, which was made much easier by that country's sophisticated infrastructure of airports, ports and highways.

Most of the supplies for the operation will be carried on four ships based at Diego Garcia Island in the Indian Ocean. The ships carry water purification plants; fuel for helicopters and armored vehicles; bulldozers and other heavy equipment; food; ammunition, and other supplies.

U.S. Said to Have Mach-8 Spy Plane

LONDON (AP) — The U.S. Air Force is operating a new generation of secret spy planes capable of reaching eight times the speed of sound, Jane's Defense Weekly said Friday. In a report prepared for next week's issue, the military affairs magazine said the triangular-shaped planes have been in service since 1989.

"We've been working on this report for about three years," Jane's editor, Paul Beaver, said. "The evidence has grown overwhelming. All we need now is a photograph to prove that it exists." He quoted the report as saying that the \$1 billion plane, called *Aurora*, could reach cruising speeds of up to Mach 8, or 8,512 kilometers (5,280 miles) per hour. This is more than two and a half times the official world record.

A Mach-8 plane would be able to reach any point on the globe in less than three hours. Such a plane, fueled by liquid methane, would be of potentially greater use than high-resolution images from orbiting spy satellites, which can take 24 hours to arrive over the subject, according to the report. The military continues to deny the existence of *Aurora*, Mr. Beaver said.

Upbeat End to Beijing-Hanoi Talks

HANOI (Reuters) — China and Vietnam issued a communique on Friday saying they had agreed to speed up negotiations on their territorial disputes and to use their newly normalized relations for building stability in the region.

The communique was issued as Prime Minister Li Peng ended a five-day visit to Vietnam, the first by a Chinese prime minister in 21 years. Mr. Li's talks in Hanoi took place in an atmosphere of "friendship, sincerity, frankness, mutual respect and understanding," according to the statement.

During his visit, Mr. Li assured Vietnam and other Southeast Asian countries that China had no expansionist plans in the region. But Vietnam made it clear that Mr. Li's trip had not resolved territorial disagreements that have strained relations.

Tanker's Bow Sinks, Ending Oil Fire

LA CORUÑA, Spain (AP) — An oil fire that burned all night after the breakup of a Greek tanker here went out after the bow of the vessel sank, a government spokesman said Friday. The tanker, the *Aegean Sea*, ran aground Thursday in heavy fog and rough seas.

A large oil slick was headed out to sea Friday, driven by shifting winds, and about 300 residents returned home after being evacuated at a precaution, the authorities said. No new evacuations were ordered in La Coruña, a city of 250,000 on Spain's northwest coast, although schools were closed for the day. The police detained the ship's captain, Constantine Stavrides, and he and other crew members were being questioned.

Environmentalists were unsure how much damage would result from the 20-kilometer (12-mile) oil slick. "The first oil-drenched birds are appearing along the coastline," said Raul Garcia of Bio Topo, a local ecological group. "It's very early to evaluate the impact, but the initial information indicates that this will be disastrous."

U.S. Aide Guardedly Salutes Hanoi

WASHINGTON (Reuters) — General John W. Vessey Jr., a special presidential negotiator, said Friday that Hanoi should be rewarded for providing information on the fate of U.S. troops missing from the Vietnam War, but he stopped short of recommending the end of a U.S. embargo.

While the former chairman of the Joint Chiefs of Staff said that Washington should reciprocate for Vietnam's recent opening of wartime archives, he added, "I don't believe that now is the time to immediately announce normalization or necessarily a lifting of the embargo."

He spoke at the final public hearing of the Senate Select Committee on POW/MIA Affairs, which was concluding a yearlong investigation. The Defense Department lists 2,264 Americans as missing from the war or killed in action without recovery of remains.

27 Bombings in Corsica Tax Protest

AJACCIO, Corsica (Reuters) — Nationalists set off 27 bombs on Corsica and in mainland France early Friday in a campaign to preserve a special tax status for the French Mediterranean island.

The devices caused serious damage to tax offices but no casualties. Interior Minister Paul Quilès called the bombings "very worrying." In a separate incident, armed men abducted a bank manager from his home in Bastia on Friday and held him for several hours until a ransom was paid. No one claimed responsibility for the kidnapping.

For the Record

The Irish Republican Army claimed responsibility for two bombings in Manchester that wounded 64 people and for depositing a van load of explosives found in London. "Active service units of the IRA carried out this week's military operations aimed at government and commercial targets in London's West End and Manchester," the group said in a statement.

Fighting worsened in the Tajikistan capital, Dushanbe, on Friday as backers of the Communist government battled Islamic and allied forces. Reports said that as many as 60 people had been killed and at least 15 wounded.

Correction

The Arts Guide in the Leisure pages of Dec. 4 listed an incorrect phone number for L'Espace Sufferin in Paris. The correct number is 4734 9935.

TRAVEL UPDATE

The Bristol Hotel in Warsaw, a favorite venue of artists and statesmen since 1910, has reopened after 12 years of intermittent renovation. (AP)

A fire broke out Friday aboard an English Channel ferry as it entered the harbor at Newhaven, England, en route from Dieppe, France. A spokesman for the ferry company Sealink said no passengers were injured, but 24 crew members were treated in a hospital for smoke inhalation. The Sealink spokesman said a wiring problem caused the fire, but little damage had been done to the ferry. (Reuters)

USAir and Delta Air Lines are joining their competition in cutting some domestic fares up to 35 percent. The discounts, already begun by Continental Airlines, are designed to encourage travelers to fly during the slow period between Christmas and college spring breaks. American, United and Northwest airlines have said they would match the fares in markets where they compete with Continental. (BBN)

Khmer Rouge Frees 6, Warns UN to Stay Out

PHNOM PENH — The Khmer Rouge warned United Nations peacekeepers Friday to keep out of its zones, just hours after the guerrillas had freed six UN soldiers they had held prisoner for three days.

UN officials had said they believed the guerrillas who seized the UN troops were acting independently of the group. But the former hostages told reporters that they believed the guerrillas were acting on orders from senior Khmer Rouge officials.

One of the released soldiers, Lieutenant Colonel Mark Walton of Britain, said he thought the decision to take hostages was made initially by a local Khmer Rouge officer. But he said that after the seizure it was clear that the local commander was in contact with his superiors.

"He was definitely in communication with a higher authority," Colonel Walton said at a news conference at Phnom Penh airport. He said that the officer frequently left the site during negotiations with the 25 UN peacekeepers who had been sent to secure their colleagues' release.

The Khmer Rouge, which calls itself the National Army of Demo-

Now Liberians Ask, Will U.S. Help Us?

By Keith B. Richburg
Washington Post Service

MONROVIA, Liberia — All across this war-ravaged capital last month, from the corridors of the presidential office building to the abandoned schools and hospital courtyards where displaced people live, the question was always the same: Was it true, Liberians asked an American reporter, that U.S. Marines were waiting in a ship off the coast, ready to invade and end this country's long suffering?

The answer was no; American intervention here was highly unlikely. The United States was unwilling to involve itself in what was seen as essentially a nasty tribal war on a faraway shore. As a State Department official put it, "It is not the American responsibility to solve the problem of Liberia."

But that was before the Bush administration's decision to offer a division of U.S. ground troops to help in Somalia, where class-based warfare and a breakdown of government have disrupted efforts to feed millions of starving people.

A decision to send U.S. troops into Somalia might be the first step to mark an important turnaround. In the post-Cold War world, America is showing its willingness to commit troops to save lives on a continent that has little strategic value.

If the rationale for U.S. military intervention in Somalia seems compelling — haunting images of starving children, gun-toting young thugs stealing relief supplies — a similar case could be made elsewhere in Africa for such rescue operations.

Liberians feel their civil war warrants American intervention, if only because many of them hold Washington partly to blame for the country's slide into chaos.

In the 1980s, the United States propped up the dictatorship of Samuel K. Doe with more than \$500 million in aid, despite evidence of human-rights violations, corruption and vote-rigging.

Similarly in Zaire, opposition leaders say the United States should intervene to remove its

longtime Cold War ally, President Mobutu Sese Seko.

Liberia and Zaire, along with Somalia, once were considered America's most important strategic partners in Africa. With Sudan and Kenya, they received the vast majority of U.S. aid to the continent.

But as an Africa scholar of the Aspen Institute, Pauline Baker, put it, the United States has "no sense of lingering responsibility" to make up for past policy mistakes with intervention in local conflicts.

"We were there during the Cold War for our own purpose," she said, "which was to prevent the advance of communism in the Third World."

Somalia offers some differences from these other cases, however. Most obvious is the widespread famine. Relief workers have called Somalia the world's greatest current catastrophe, comparable only to Bosnia. About 300,000 Somalis are believed to have died, with 2 million more at risk.

"I think Somalia is almost unique, in the sense that there is mass suffering of innocent people," said T. Frank Crigger, who was U.S. ambassador to Somalia during the last years of Mohammed Siad Barre's regime, which was overthrown in 1991. "We have a fundamental national interest in humanitarian problems. On the other hand, I don't believe there's all that much interest in who governs Liberia."

Somalia presents a unique case, in that government and all administrative structures have ceased to exist, leaving just a collection of warlord fiefdoms.

By contrast, in Liberia, despite the war, an interim government has managed to maintain a semblance of administrative authority, backed by a Nigerian-led seven-nation West African force.

The presence of that force in Liberia also allows Washington to sustain a hands-off policy on the basis that Mourovina is still a regional problem being addressed by neighboring countries.

Still, the presence of the West African force has not kept Liberians from asking, Where are the Americans?



Fighters patrolling Kisumu in southern Somalia, which U.S. military strategists have been considering as a site for unloading supplies.

Japan's Role Is Limited, and Familiar

By T. R. Reid
Washington Post Service

TOKYO — Once again, a U.S.-led multinational force is headed to a danger zone, with a coalition of countries sending troops, weapons and supplies. And once again Japan, the world's second-richest nation, is sending only checks.

The Japanese government, consequently, is concerned that it again faces a tough choice between its traditional role as a nonparticipant and its growing desire to become an important player in geopolitical affairs.

"Somalia will not be a repeat of the Gulf crisis," for Japan, a Foreign Ministry spokesman, Masamichi Hanabusa, said Friday.

"We learned a traumatic lesson then," he said, referring to criticism of Japan for not sending any support other than money to the allied forces in the Gulf War.

But despite long meetings on the subject here this week, Tokyo has so far decided on nothing more than creating a special fund to provide money to the allied forces headed for

Somalia. Japan has already provided \$27 million this year in food aid to Somalis.

Discussing the possibility of a Japanese role in the multinational effort, Mr. Hanabusa sounded much like Japanese spokesmen two years ago explaining why Japan could not send support personnel to the Gulf.

"The location is remote from Japan," Mr. Hanabusa said. "Our capabilities are limited."

"We have legal restraints," he added.

After the global criticism of its Gulf War decisions, Japan engaged in an impassioned national debate about its proper role in the world. The result was a new law authorizing Japanese troops to join UN peacekeeping operations in certain circumstances. Under that law, a Japanese unit is now stationed with UN forces in Cambodia.

But the Foreign Ministry spokesman said Friday that "the present situation which exists in Somalia does not seem to satisfy" the requirements of the new law authorizing Japanese participation in international efforts.

Japan, with one of the world's largest military budgets, a quarter-million troops, and advanced transport equipment, has not been asked to play any part in the joint force in Somalia, Mr. Hanabusa said Friday.

But a group of U.S. congressmen visiting here this week said they made it clear that Japanese participation was expected.

"Check-writing is probably not enough any more," said Representative Patricia Schroeder, Democrat of Colorado.

There are signs that some officials here want Japan to take an active role in Somalia, and do so quickly. But the public's dislike of anything military, and the government's current entanglement in a scandal over alleged payoffs, may make it hard to reach any decision.

"If there is some contribution not directly related to combat, it is possible for us to provide it," said Koichi Kato, spokesman for Prime Minister Kiichi Miyazawa's cabinet.

"But what is legally possible, and what we have the political will to do — those are two different things."

DEPLOY: Bush Sends Force, With Clinton's Support

(Continued from page 1)

General Colin L. Powell, chairman of the Joint Chiefs of Staff, said the plan had four phases:

- A vanguard Marine expeditionary unit would arrive first and establish bases at the capital, Mogadishu, and the inland town of Baidoa, so humanitarian relief convoys and ships can bring in additional supplies for the starving.
- Army forces from the 10th Mountain Division, a light infantry unit based at Fort Drum, New York, would join forces with the Marines in Baidoa and establish bases at Baidoa, Oodur and Gidale to the north of the Somali capital.
- The operations would then expand into Kisumu, a seaport in the extreme south of Somalia, and Bardera.
- The operation would be handed off to UN observer Somalia forces, with U.S. forces then withdrawing at some unspecified date.

General Powell said he expected it would take "two to three months" before it would be "totally over," calling that his "best guess," of which he was "very confident."

Rights Group Fires Outspoken Somali Activist

WASHINGTON (AP) — A well-known Somali activist, Rakiya Omar, has been dismissed by the human rights organization Africa Watch for opposing the planned United Nations military intervention in Somalia.

The dismissal of Ms. Omar, a lawyer who helped establish Africa Watch and served as director for four years, dramatizes an increasingly public debate among Somalis and Africa experts over the consequences of Western intervention.

In one of the statements that led to her dismissal, Ms. Omar said she believed the "sudden arrival of 20,000 or 30,000 U.S. troops without prior consultation with Somalia's underground and with the relief organizations" would escalate the violence.

Kenneth Roth, deputy director of Human Rights Watch, the New York-based organization that includes Africa Watch, said Ms. Omar had been fired "for insubordination and failure to abide by our internal procedures on establishing a policy."

He said the organization had been calling for UN military protection for food supplies for months.

19 South Africa Whites Hurt in Terror Attack

By Bill Keller
New York Times Service

JOHANNESBURG — South African police said Friday that they believed a black guerrilla faction was responsible for a satchel bomb that exploded in a popular steakhouse late Thursday night, wounding 19 patrons and adding to growing alarm about a threatened terrorist campaign against white civilians.

No one claimed responsibility for the blast in the Eastern Cape town of Queenstown, but the police said they suspected the guerrilla wing of the Pan Africanist Congress, a militant black nationalist group, which boasted it had incited a deadly raid last Saturday at a golf club 90 kilometers (60 miles) away in King Williams' Town.

The attacks were the first cases of political terror against whites since the 1980s. They erupted as the white government was engaged in a new round of talks with the African National Congress aimed at speeding the transition to democracy.

The three-day meeting ended Friday with a joint declaration of determination to accelerate the transition. No details were disclosed of new agreements.

Delegations from the two sides had hoped to reach agreement on a target date for the first elections in which the country's 30 million black majority would participate.

The attacks on white social gatherings are widely taken as an attempt to disrupt the coalescing agreement on a new South Africa, by militants who contend that the African National Congress has compromised too much with the white rulers.

"It is the work of desperados who are not confident of pitting their strengths against other parties in a democratic election which they realize is imminent," said the African National Congress branch in the region of the recent killings.

Whites have grown accustomed to rising crime and even sporadic killings of police, but they have not had to contend with the kind of

Khmer Rouge Frees 6, Warns UN to Stay Out

PHNOM PENH — The Khmer Rouge warned United Nations peacekeepers Friday to keep out of its zones, just hours after the guerrillas had freed six UN soldiers they had held prisoner for three days.

UN officials had said they believed the guerrillas who seized the UN troops were acting independently of the group. But the former hostages told reporters that they believed the guerrillas were acting on orders from senior Khmer Rouge officials.

One of the released soldiers, Lieutenant Colonel Mark Walton of Britain, said he thought the decision to take hostages was made initially by a local Khmer Rouge officer. But he said that after the seizure it was clear that the local commander was in contact with his superiors.

"He was definitely in communication with a higher authority," Colonel Walton said at a news conference at Phnom Penh airport. He said that the officer frequently left the site during negotiations with the 25 UN peacekeepers who had been sent to secure their colleagues' release.

The Khmer Rouge, which calls itself the National Army of Demo-

SOMALIS: Anxiety Mingles With Hope as Mogadishu Awaits Troops

(Continued from page 1)

consulted with the local security men before opening a kitchen.

Volatile mood changes among these gunmen are common, especially after an afternoon feast of khat, the narcotic leaf that many Somalis chew after lunch and into the night. "There are violent feelings underneath and some have very short fuses," said the Red Cross worker.

Mr. Ali said he had informed one of the gunmen who protected relief agencies' supplies that he would be out of a job soon. "That's impossible," the gunman fumed, according to Mr. Ali.

In another sign of defiance, two young gunmen took their rifles inside the Hodon Mosque, a Somali businessman who attended midday prayers said. "We are revolting against the U.S. troops," one of the young men said.

But some gunmen said that if the troops made things too tough for them in Mogadishu they would disappear to the countryside. There were reports Friday of offers to sell armed jeeps, known as "technicals," and of inquiries

about whether the Americans would be interested in renting them, just as the aid agencies have for up to \$125 a day.

Already many jeeps loaded with gunmen are said to have left the south side of Mogadishu for Baidoa, 150 miles west of here, where tens of thousands of people have perished in the past month.

From Baidoa, the jeeps are believed to be headed for Bardera, in the southwest, another epicenter of the famine. General Mohammed Farrah Aidid, a major participant in the warfare, has vowed to take the town back from an opposing warlord, creating potential trouble for U.S. troops wanting to secure the place for food deliveries.

In a more conciliatory sign, several jeeps careered around the central streets of the southern half of Mogadishu on Friday with signs reading "Somalia needs peace and bread." It was no doubt a message conceived by General Farrah Aidid, whose unexpected approval last week of the intervention set a tone of acceptance here.

But even as General Farrah Aidid was sending out friendly signals through his gunmen, a statement from his political group, the Somali National Alliance, condemned the United Nations, Italy and Egypt.

"The world community recognizes the United Nations and its secretary-general's failure in their effort to rescue Somalia, therefore we people of Somalia categorically reject foreign troops headed or commanded by the United Nations," the typewritten statement said.

Somalis, who are bereft of telephones and television and get almost all information from the BBC radio, were asking whether the imminent troop arrival was led by the United States or the United Nations. After months of watching UN efforts to deliver food and improve the security situation but failing, many Somalis say they have lost patience with the world body.

"Whether it is the United States or the United Nations — this makes an important difference," said a Somali who works at the UN offices in Mogadishu. "If it is the United Nations it will be useless."

TRANSITION / BACK TO CENTER STAGE

John, iolito

★ POLITICAL MOVES ★

Clinton Talks Economics With Greenspan

LITTLE ROCK, Arkansas — As he faces decisions about an economy that is finally showing signs of improvement, President-elect Bill Clinton met with the chairman of the Federal Reserve Board and approved the initial guest list for a conference on the economy that has doubled to 215 participants.

Because the Federal Reserve controls interest rates, its chairman, Alan Greenspan, has as much influence over the economy as anyone in the government. Mr. Clinton summoned him to the Governor's Mansion here for their first meeting since the election.

"Governor Clinton wanted to meet with Chairman Greenspan to establish a sound working relationship, to talk about the state of the economy and to lay the groundwork for a productive relationship in the future," said George Stephanopoulos, Mr. Clinton's communications director.

The Fed and the Bush administration often clashed because the White House wanted lower interest rates to stimulate the sagging economy. In the Clinton administration, Mr. Stephanopoulos said, while it will be important "to preserve the independence of the Fed," it will also be crucial for both sides to have "a common understanding of the economic situation."

Some analysts have predicted that despite Mr. Greenspan's preference for conservatism, there will be tension between the Fed and the Clinton administration as Mr. Greenspan seeks to keep inflation in check and the new president proposes a stimulus package. Mr. Greenspan was appointed chairman by President Ronald Reagan in 1987 and reappointed by Mr. Bush. His term runs until 1995. (NYT)

Short List for Interior Down to 3 Westerners

LITTLE ROCK, Arkansas — President-elect Bill Clinton has narrowed his list of choices for interior secretary to three Westerners: former Governor Bruce Babbitt of Arizona, Senator Timothy E. Wirth of Colorado and Representative William B. Richardson of New Mexico.

All had meetings here last week with Mr. Clinton, and officials said the president-elect was close to a decision. It also is possible that any of the three may get other appointments. Mr. Wirth, who decided not to run for a second term this year, often is mentioned by Democratic officials as a candidate for energy secretary.

Mr. Richardson, of Hispanic descent, has been interested in Indian issues. He sponsored a bill that led to the return of land in the Santa Fe National Forest to a Pueblo tribe. Elected in 1982, he also opposed the Energy Department's development of new nuclear sites in the West.

Mr. Wirth, a close friend of Mr. Clinton's, made his reputation as an expert in land issues and is an ardent supporter of the Endangered Species Act.

Mr. Babbitt has been a friend of Mr. Clinton's for years. He headed a group called Nature Conservancy, a private conservation organization. (NYT)

Georgia Law on Runoffs to Get a Day in Court

ATLANTA — A federal judge has agreed to hear arguments in a lawsuit challenging Georgia's runoff law, but refused to block state officials from certifying the defeat of Senator Wyche Fowler by Paul D. Coverdell, a Republican.

Mr. Fowler led Mr. Coverdell by about 35,000 votes in the Nov. 3 election, but failed to win a majority because of the presence on the ballot of a Libertarian candidate, Jim Hudson. In the Nov. 24 runoff, Mr. Coverdell won by about 15,000 votes.

Public Citizen, founded by Ralph Nader, contends that Georgia has no authority to require the election of senators by majority vote since there is no such requirement in the U.S. Constitution. Kenneth Canfield, the group's attorney, said the runoff served as a "screening mechanism" that made it harder for black-supported candidates to win.

The law already is under attack by the Justice Department and black plaintiffs in a lawsuit contending that the majority vote requirement and other Georgia election laws prevented the election of black judges. A settlement agreement is pending, under which the state has agreed to change the method of electing judges. (AP)

Quote-Unquote:

Gerald Rafshoon, who was Jimmy Carter's media adviser, on Bill Clinton's public image: "It looks like they are going to embark on a two-pronged campaign to work with Congress and the insiders, while he knows they will always know he has the ability to go over their heads to the people." (LAT)

Somalia Gets Bush Out of Doldrums and Back in His Element

By Michael Wines
New York Times Service

WASHINGTON — For someone who implied barely three weeks ago that he had taken his final bow and left the script to the new star of the show, George Bush is spending a lot of time lately on center stage.

Working the telephone with the abandonment of his Gulf War holiday, President Bush has spent the week dragging world leaders from Britain to Japan to Africa into a multinational coalition to clear the way

for the safe delivery of aid to the starving in Somalia. He returned to national television Friday to explain his decision to send American troops to Africa.

In coming weeks, Mr. Bush plans to travel outside Washington for as many as three major speeches on foreign and domestic policy — all, aides said, part of an effort to establish a legacy for his presidency and to pass on advice about the conduct of American policy in a post-Soviet era.

"It's important to remind people what we think the proven approaches are," said a senior Bush aide.

This is a far cry from the president who said Nov. 17, two weeks after his loss to Bill Clinton, that he was "referring all calls" to the president-elect, or from the Bush of Nov. 24, who groused with determined good nature, just before being given a turkey at an annual Thanksgiving-week ceremony, about "these marvellously responsible things I have left to do — walking the dogs and accepting this enormous turkey."

But several aides and friends said the president himself has changed in the four weeks since his defeat.

Left reeling at first by the sheer shock of

surrendering the presidency, Mr. Bush has rebounded in the last week with the realization that his job is not finished, they said.

"A variety of different issues, including the crisis in Somalia, have brought home to the president that he's still the only person that can make these decisions, and that the wisdom and experience he brings to these problems is important to the nation," said a friend.

"If you know this guy, you know he's driven by the call to duty and the fact of his responsibility," he added.

So before he leaves office next month, Mr. Bush plans to press ahead with what may be seen, eventually, as some of the landmarks of his presidency. He will sign a free-trade agreement with Canada and Mexico in two weeks and will press allies for tighter restrictions on the transfer of advanced technology to states with nuclear ambitions, such as Iran and Iraq.

He is not expected to go abroad. But aides hint that he could still press ahead with some crucial foreign initiatives, including new steps to curb Serbian aggression in Bosnia.

U.S. Health-Care Industry Sees Political Writing on the Wall

By Robert Pear
New York Times Service

WASHINGTON — Bill Clinton's election has been interpreted by the health-care industry as a referendum for sweeping change. Factions recently at war now seem to be falling into line. But the growing consensus is on general philosophical principles, not the details, which still present big obstacles to final agreement on how to provide health care to everyone at reasonable cost.

On Nov. 9, six days after the presidential election, business executives, hospital trustees and leaders of the Blue Cross and Blue Shield Association offered to cooperate with Mr. Clinton in writing legislation to revamp the health-care system.

This week, in a break from past practice, the Health Insurance Association of America, representing 270 commercial insurers, called for a new law requiring insurance coverage of all Americans. At present, between 35 million and 40 million Americans have no health insurance. As a way to control costs under their new proposal, the insurers said they would welcome a limit on the open-ended tax subsidy for health insurance bought by employers for their employees.

After the promise of jobs and economic growth, health care was the biggest issue in Mr. Clinton's campaign, and his election has changed the political landscape for action on the issue. In the last Congress, Democrats could not agree among themselves on a national health plan, and there was even more disagreement between Congress and the White House.

But now, with the Bush administration dying and the Clinton administration still unborn, the sounds emanating from Washington are melodious and harmonious.

Frederick H. Gracie, a Washington lawyer who specializes in health-care policy, said: "The vote by the directors of the Health Insurance Association is a simple reflection of political reality. They're reading the tea leaves after they got hit with a 2-by-4. Their proposal indicates where policy is headed in the next Congress."

Mr. Gracie said that several companies recently announced plans to withdraw from the trade group "because of the seeming intransigence of the Health Insurance Association in coming to grips with political reality."

Kevin E. Moley, deputy secretary of Health and Human Services, said Mr. Clinton's election had scared members of the health-care industry into being more flexible.

"They no longer have the comfort of knowing that George Bush as president will veto stupid legislation," said Mr. Moley, who used to work for an insurance company.

"They are confronted with Governor Clinton, who is very activist, believes in a strong role for the central government and is willing to play with the levers of power in Washington."

The political reality is complex and elusive. For consumers, health care is a pocketbook issue. The cost of health care and health insurance has been rising twice as fast as other consumer prices. But for middle-income families with health insurance, there is no prospect of immediate relief under the changes proposed by Mr. Clinton and the health insurance industry. Indeed, the middle class might be asked to make some sacrifices for which it has not been politically prepared.

The changes would be gradual. Prices would rise more slowly. Some consumers would have to sacrifice some of their freedom to choose doctors and hospitals. Under the industry proposal, millions of Americans who get health insurance from their employers would have to pay higher taxes.

Karen M. Iagnani, director of NEWS ANALYSIS

too much health insurance and encourages workers to use too much health care. Employees see the problem differently. Many workers are now paying more for less coverage than they once had.

In the campaign, Mr. Clinton said he wanted to impose an annual limit on all health spending, public and private. Many health-care businesses and insurers oppose this type of constraint, known as a "global budget," and they are frantically seeking alternatives to control costs.

Consumer groups are skeptical of the health insurers' latest proposal. Rhoda H. Karpatkin, president of Consumers Union, said the proposal would help break "a logjam of unremitting resistance to real reform."

But she added, "This is a plan by the insurance industry to save itself without solving the underlying causes of our health-care crisis."

Computer Chip Assembly Linked to Miscarriages

By John Burgess
Washington Post Service

WASHINGTON — Women working in computer chip factories have an unusually high risk of miscarriage, apparently due to exposure to chemicals used in making the chips, according to a new study.

In releasing the study, the Semiconductor Industry Association, which represents the \$22 billion a year U.S. industry, announced that it would work to improve worker protection and that it would recommend phasing out the chemicals involved in members' factories.

The four-year study surveyed 950 pregnancies, finding a 14 percent miscarriage rate among women working in the factories, compared with a 10 percent rate for women who did not.

Evidence pointed to exposure to chemicals known as ethylene-based glycol ethers. But the study said that because of the presence of other chemicals in the plants, it was not possible to identify the cause conclusively.

Intel Corp., a major chipmaker that employs about 3,250 women in its manufacturing plants, said it would grant pregnant women transfers to nonfactory jobs at full pay. In the meantime, it would modify its factories to eliminate suspect chemicals, a job that would take up to two years and cost tens of millions of dollars, a company spokesman said.

The study, conducted by the University of California at Davis, is a new blow to the environmental record of chip manufacturers, which have long promoted themselves as clean alternatives to smelting and steel mills.

About 21,000 women work in plants across the United States that make chips, postage stamp-sized silicon devices packed with microscopic circuitry. They are the basic building block of the electronics age, used in computers and consumer electronics, as well as in cars and appliances.

Despite the relatively few jobs involved, analysts consider the chip plants an important U.S. industry.

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AMERICAN TOPICS

Turn Down Lights, Boost Stellar View

Astronomers have long said that the artificial light of cities threatens their ability to study the stars. And in recent years, the glare has come to obscure everyone else's view as well.

"If things keep going the way they are, the only place you'll see a really dark sky is a planetarium," said David Crawford, an astronomer at Arizona's Kitt Peak National Observatory and founder of the International Dark-Sky Association.

"The absolute majesty, the incredible power of a truly dark, star-packed sky was part of the experience of all of humanity throughout all of human history," said Alan MacRobert, associate editor of Sky and Telescope Magazine. "Now in developed countries, it's practically unknown."

The scientists' lonely campaign to curb what they call light pollution is gaining a wider audience as others realize that shading the lights can save money as well as stellar views. Relentless light from surrounding cities has effectively shut down the largest telescope at Mount Wilson in Southern California.

Shielding lights so that they illuminate the ground, rather than the sky, cuts the overhead glow. Because the downward beam is more concentrated, a lower-watt bulb can give the same amount of ground light.

Tucson, Arizona, under pressure from nearby observatories, switched from mercury vapor to sodium lights and installed downward-facing fixtures on all 14,000 street lights.

Short Takes

In six moonwalking expeditions in 1969-72, U.S. astronauts left \$517 million worth of equipment behind, including three moon buggies. But none of it is thought to be reusable. Space experts believe the machines and tools have been ruined by the extreme swings in lunar temperature. The moonwalkers, loaded down with rocks for study back home, discarded the equipment to keep the lunar module as light as possible for liftoff.

A new kind of ice cream cone, actually a chocolate-chip cookie rolled into a cone shape, has been introduced into the United States by Seabak's Cookie Cone in Maple Grove, Minnesota. The cones are made with machinery developed in Vienna. The New York Times says, "The cones are the next step in a progression that began with the wafer cone, introduced in 1904, and the sugar cone, in 1928." They are making their way into retail ice cream stores.

The 25-foot municipal Christmas tree set up in South Hadley, Massachusetts, is all too familiar to Charles Fournier. Town officials say that workers mistakenly chopped down the blue spruce that had been in his front yard. They were under the impression that it belonged to one of his neighbors, who had offered to donate a tree. Mr. Fournier said he returned home from work a week ago to find the tree gone. When he got inside he had a message on his answering machine from the town lighting department saying they had "made a mistake and felt terrible." Mr. Fournier said those were exactly his sentiments.

Arthur Higbee

Away From Politics

● An experimental gene therapy treatment that holds the promise of a cure for cystic fibrosis, the most common inherited fatal disease, has been approved by a federal advisory committee in Washington. The panel recommended that three researchers be given permission to try to replace defective cystic fibrosis genes in the lung cells of a small number of patients.

● Frustrated by an apparent inability to put a dent in the city's high teenage pregnancy rate, Baltimore public health officials are planning to offer surgically implanted contraceptives at clinics in city schools. The program is apparently the first in the nation that would provide students with the contraceptives, which last five years.

● One of the developers of the atomic bomb called for a world free of nuclear weapons and said all segments of society, not just governments, should help in the effort. Joseph Rotblat spoke in Chicago at a meeting of the Albert Einstein Peace Prize Foundation, where he shared the \$50,000 annual prize with Hans Bethe, another of the original Manhattan Project scientists.

● The California Supreme Court ruled unanimously that a state law requiring AIDS testing for anyone convicted of a sex crime could be applied retroactively. The court said the test was not a "punishment," so retroactive application of the 1989 law did not violate a constitutional prohibition against ex post facto penalties.

● A moderate earthquake rumbled through Southern California, the latest and one of the biggest of thousands of aftershocks spawned by the Landers-Big Bear earthquakes in June. The tremor registered 5.2 on the Richter scale and was centered 5 miles (8 kilometers) from Big Bear City.

● An orbital debris tracking experiment aboard the shuttle Discovery was postponed at Cape Canaveral, Florida, by the National Aeronautics and Space Administration because of an electronics problem with equipment in the spacecraft.

● High-ranking Mexican government officials were involved in drug trafficking and thwarted the investigation into the 1985 kidnapping and murder of a U.S. drug agent in Mexico, prosecutors and witnesses said in court in Los Angeles.

AP, NYT, UPI, LAT



SOLIDARITY — Students at a school in Yorkville, Illinois, having their heads shaved to show support for a classmate who has been diagnosed as having leukemia and is likely to lose his hair.

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- SANT JOSEPH'S CHURCH** (Roman Catholic), Masses Saturday Evening 6:30 p.m., Sunday, 9:45, 11:00, 12:15 and 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel. 42.27.28.56. Metro: Charles de Gaulle - Ecole.
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- BERLIN**
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- BONN/BOON**
THE INTERNATIONAL BAPTIST CHURCH OF BONN/BOON, Rhetorica Strasse 9, Köln, Worship 1:00 p.m., Calvin Hogue, Pastor, Tel. (0228) 47021.
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- BUDAPEST**
International Baptist Fellowship, 11 Bimbo ut. 50 (main entrance Topkapany ut. 7, immediately behind front entrance), 10630 Budapest, Hungary. Tel. 061-222-78 or 0618-0285. Reached by bus 11.
- BURGABA**
INTERNATIONAL BAPTIST CHURCH Sofia, Hotel Vitosha, 100 An Ivanov Blvd. Worship 11:00. Charles Corrie, Pastor, Tel. 704 367.
- CHELSEA/HANNOVER**
INTERNATIONAL BAPTIST CHURCH, Friedenstrasse, Bismarckstr. 15, Celle, 55 1245, Worship 10:00, 30 min. Drive, 20 min. by train from Hannover. Walking distance from Celle train station. Contact Andy Earl. Tel: 05141-36733.
- DARMSTADT**
DARMSTADT/ERBETADT BAPTIST MISSION, bible study & Worship Sunday 10:30 a.m. (German), 0618-22278 or 0618-0285 (pastor). Tel. 0618/91603 (pastor) & 06181-68702 (diacon).
- DÜSSELDORF**
INTERNATIONAL BAPTIST CHURCH, English, 12, 1000, worship 11:05. Children's church and nursery. Home of the International of Schools, Leinbrenner Kirchweg 2, D-Katernberg, Frankfurt Fellowship. All denominations welcome. Dr. W.J. Deley, Pastor, Tel. 0211-4100-157.
- FRANKFURT**
INTERNATIONAL CHRISTIAN FELLOWSHIP, Evangelisch-Freikirchliche Gemeinde, Bismarckstr. 11-19, 6380 Bad Homburg, Germany. Tel. 0618-22278 or 0618-0285 serving the Frankfurt and Taurus areas, Germany. Sunday worship 09:45, nursery & Sunday school 10:00. Pastor: W. J. Deley, Friday 09:30. Homegroups - Sunday & Wednesday 19:30. Pastor: M. Levey, member European Baptist Convention. "Sisters His glory amongst the nations."
- GENEVA**
NETHE INTERNATIONAL BAPTIST CHURCH, Am Dolderberg 92, Frankfurt a.M. Sunday worship 11:00 a.m. Pastor: Dr. Thomas W. Hill, pastor. Tel. 069-549559.
- HAMBURG**
INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at TABEA FESTHALLE, Rensdahlstr. 19, Hamburg. English, Tel. 41 1130 & Worship of 12:30 each Sunday. Tel. 040/820616.
- HOLLAND**
TRINITY BAPTIST S.S. 9:30, Worship 10:30, nursery & full-time school. Meetings at Bloemcompleen 54 in Wassenaar. Tel. 01751-78024.
- KRAKOW**
INTERNATIONAL FELLOWSHIP, 2nd Floor, ul. Wyzwolenia 4, First Sunday each month 6:00 p.m., Guest Pastor, coordinator: E.C. Thomas, pastor. Call 47-51-29-63 or 47-49-15-29 for information.
- MADRID**
IMMANUEL BAPTIST MADRID, Hernandez de Tejada, 4, English Services 11 a.m. - 7 p.m., Tel. 407-4347 or 302-3017.
- MUNICH**
INTERNATIONAL BAPTIST CHURCH OF MUNICH, English and German Language Services, Bible study 10:00, Worship Service 17:00. Pastor's phone: 690 8334.
- PARIS and SUBURBS**
EMMANUEL BAPTIST CHURCH, 56 Rue des Saussaies, Paris-16th. An evangelical church for the English speaking community in Paris and western suburbs. S.S. 9:45, Worship: 10:45. Children's Church and Nursery, Youth ministers: Dr. E.C. Thomas, pastor. Call 47-51-29-63 or 47-49-15-29 for information.
- INTERNATIONAL BAPTIST FELLOWSHIP**, 630 No. 123 av. du Maine, 75013 Paris, France. The evening service of Emmanuel Baptist Church, Call 47-51-29-63 or 47-49-15-29.
- WUPPERTAL**
International Baptist Church, English, German, Persian. Worship 10:30 a.m., 3:30 p.m., 7:00 p.m. All denominations welcome. Hans-Dieter Fround, pastor. Tel.: 0202/469384.
- ZÜRICH**
INTERNATIONAL BAPTIST CHURCH of Wädenswil, Switzerland, Rueschbergstrasse 4, Worship Services Sunday morning 11:00. Tel.: 7-00 2812.
- EUROPEAN UNITARIAN UNIVERSALISTS**
UNITARIAN UNIVERSALIST fellowship & contacts in Europe include:
BARCELONA: Apartado de Correos 27305, 08000 Barcelona, Spain. Tel. (03) 314 91 54.
BRUSSELS: Tel. (02) 640 02 26.
FRANKFURT/WIESBADEN: (0611) 71 94 61.
GENEVA/BERN: (022) 774 15 96.
HEIDELBERG: (49) 6222-7 3716 or (49) 6205-16486.
MUNICH: (49) 821-47-2486.
NETHERLANDS: (073) 40 82 08.
PARIS: (33) 1-42-77-9677.
- ASSOC. OF INT'L CHURCHES IN EUROPE & MIDEAST**
BRISLIN
AMERICAN CHURCH IN BRISLIN, care of Clay Allen & Fotschinger St., S.S. 9:30 a.m., Worship 11 a.m. Tel. 030-8132021.
- BRUSSELS**
THE INTERNATIONAL PROTESTANT CHURCH OF BRUSSELS, Sunday School - 9:30 a.m. and Church - 10:45 a.m. Kerkhofstr. 11 (at St. Anne's School). Tel. 02/53.05.81, Bus 155, Tram 94.
- COPENHAGEN**
INTERNATIONAL CHURCH of Copenhagen, 27 Færøvej, Vester, near Rådhus, Study (11 & 8 weekdays at 11:30 a.m. and Sunday School at 10:30 a.m. and 11:00 a.m. Tel. 01 62 47 85.
- FRANKFURT**
TRINITY LUTHERAN CHURCH, Nibelungen Allee 54 (Ruhlin St.) Sunday School 9:30, worship 11 a.m. Tel. (069) 599476.
- GENEVA**
EV. LUTHERAN CHURCH of Geneva, 20 rue Verdaine, English, worship 9:30, in German 11:00 a.m. English. Tel. (022) 310-50-89.
- LONDON**
AMERICAN CHURCH in London at 77 Tottenham Court Road, London W1, SS at 9:45 a.m. & worship at 11 a.m. Google street index; Tel. (01) 580 2791.
- INTERNATIONAL COMMUNITY CHURCH** services at Ryders School, Harston, Surrey, Sunday School at 10:30 a.m. and Worship at 11:00 a.m. Active Youth Program. Tel. (0722) 866263.
- MOSCOW**
MOSCOW PROTESTANT CHAPLAINCY, English speaking, worship service, Sunday School, nursery, international of communications welcome. Dorostovskaya 16, Vienna 1. Tel. 46-8 151223 & 309803.
- VIENNA**
VIENNA COMMUNITY CHURCH, Sunday worship in English 11:30 a.m., Sunday school, nursery, international of communications welcome. Dorostovskaya 16, Vienna 1. Tel. 46-8 151223 & 309803.
- WARSAW**
WARSAW INTERNATIONAL CHURCH, Protestant English language services, Sunday School, nursery, international of communications welcome. Dorostovskaya 16, Vienna 1. Tel. 46-8 151223 & 309803.
- ZÜRICH**
INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sunday 11:30 a.m., Schwanengasse 25, Tel. (01) 2625525.

INTERNATIONAL Herald Tribune

A Poultice for Somalia?

American troops are rightly being sent to strife-torn Somalia to ensure that food reaches millions of starving people.

Authorizing the U.S.-led effort. It says nothing, for example, about disarming marauding gangs but instead refers muzzily "to facilitating the process of a political settlement under the auspices of the UN."

Thus, over the holidays, television viewers will see U.S. Marines protecting relief workers as food and medicines are distributed to a stricken people.

Knowing the deadline, warlords and pillagers manifestly will not do battle with as many as 20,000 U.S. troops. They need only wait until the marines withdraw, to resume hijacking food, waging clan war, and preying murderously on relief agencies.

The idea, according to the White House spokesman, Martin Fitzwater, is to move food in rapidly, establish safe havens, and then turn the operation over to UN peace-keeping forces.

Backstage comment in Washington has centered on the need to assure that U.S. troops will be solely under U.S. command in Somalia, as if that mattered most.

Alas, there are so far no signs that Mr. Bush will use his final days to treat the tragedy in Somalia as anything more than a flashy police operation in an unquestionably good cause.

Give Congress a Say

It's not enough for the United Nations to authorize peace enforcement in Somalia, as it did on Thursday, or for President George Bush to provide U.S. troops for that worthy purpose.

That means reconvening to debate and authorize the troop commitment at the earliest possible date. Even after the troops have landed, there are important issues for Congress to address.

But Democratic leaders are shirking their responsibility. George Mitchell, the Senate majority leader, would avoid any vote, on the ground that the troops are not likely to be engaged in combat.

Congress can also address publicly many questions about this potentially precedent-setting commitment. Why are 28,000 troops warranted in Somalia, but not in Bosnia?

Even after the troops have been sent, Congress can help define their mission. And in the absence of any presidential statement of purpose, the public is in the dark.

President Bush and congressional leaders have tried to portray Somalia as a unique catastrophe. But with starvation, cruelty, and civil war rampant in many nations, it may not be. Either way, Congress needs to set a sound precedent for how U.S. troops are to be deployed to cope with crises after the Cold War.

Congress can also address publicly many questions about this potentially precedent-setting commitment. Why are 28,000 troops warranted in Somalia, but not in Bosnia? What is their mission—just to convoy food and other supplies, or to restore civil order amid armed anarchy?

With the end of the Cold War, presidents no longer need a quick finger-on-the-nuclear-button response to military engagement. Congress has to share responsibility for putting American troops in harm's way. It can lead robust public debate about military commitments, starting with Somalia.

Tallying Aid to Russia

As the great struggle is joined between the reformers and their antagonists in the Russian Congress of People's Deputies, a double question confronts the West: How much is it doing to help the embattled president, Boris Yeltsin—and is it enough?

Neither part of that question is easy to answer. But it is fair to say that the West is providing roughly as much as the quite substantial amounts it promised last April—although the distribution among donors and lenders is quite different from the plan envisioned then.

Under the plan, \$4.5 billion in loans was to have come from the International Monetary Fund and the World Bank. In fact, they will have actually provided only a little over \$1 billion by the year's end.

There is also \$6 billion that belongs in a special category—a fund to stabilize the ruble when it reaches a value that can be maintained in the foreign exchange market. That will not happen for some time, but the \$6 billion fund is ready and waiting.

When all of these figures are added together, even using the lower value for debt relief, they come to \$23.5 billion, or the \$24 billion promised by President Bush and Chancellor Helmut Kohl of Germany on April 1. Not bad. On present evidence it seems to be a sufficient amount to keep the great Russian experiment in democracy from strangling for lack of foreign exchange, while the Russians themselves work out the enormous political and legal questions on which their democracy must stand.

Western Europe. It looks as though the actual total will be nearly \$14 billion. (The United States has provided more than \$2 billion, the greatest part of it in loan guarantees to buy grain, but also including medical supplies and vaccines, as well as money to dismantle nuclear weapons.)

Debt relief was another major component of the April package, with \$2.5 billion promised. The amount actually extended, in deferral and rescheduling of both interest and principal payments, is either \$2.5 billion or \$6 billion, as different people count it. The larger figure is solid but includes items that were arguably outside the April package and involved in other deals. A dollar in debt relief is as useful to the Russians as a dollar in IMF lending.

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Other Comment

Showdown in the H.K. Corral

The standoff between the Hong Kong governor, Chris Patten, and the government of China threatens to become dangerous, like two Wild West antagonists with hands on holsters. China is making its point forcefully: It wishes to be consulted as ever step as the colony's 1997 handover draws closer.

Cynics may consider the Chinese strategy as being part of calculated outrage at the West in the aftermath of the Cold War: witness Beijing's downplaying of discus-

sions with Western representatives on human rights. China clearly sees a major role for itself in the post-Cold War Asian theater, and its ancient and proud civilization will not take lessons in democracy from alien parliaments and congresses.

Good politicians are flexible. Mr. Patten needs to judge whether Hong Kong's best interests are served by improving the democratic climate over the next 54 months at the cost of an angry China, which would tear asunder such a structure come July 1997.

INTERNATIONAL HERALD TRIBUNE

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Bravo, Mr. Patten, for Ending the Coddling

By Jim Hoagland

LONDON — At a time when the standing of politicians everywhere has sunk to the level of journalists and faith healers, Chris Patten of Britain is doing his profession and his nation proud. He is pushing democracy instead of expediency in dealing with China.

Send a politician like Mr. Patten to do a diplomat's job and this is what you get: confrontation instead of coddling, turmoil instead of tranquility and a commitment to letting people decide matters for themselves. All this has horrified the Communist dictators in Beijing.

Mr. Patten horrifies not only the Tiananmen gang. Cries of anguish are also rising in London

Mr. Clinton, a potential Beijing-basher, recently tipped back from his campaign attacks on China. He clearly hopes to avoid a nasty fight with Beijing at the start of his administration.

But what Mr. Patten has been up to is likely to entangle America. The Hong Kong confrontation, while complicating Mr. Clinton's task in dealing with China, also illuminates

Mr. Patten is hurrying to implement democratic practices in Hong Kong before Britain returns the colony to China in 1997. Lady Thatcher agreed to the return in 1984 under the duress of a threatened Chinese takeover and Sir Percy's soothing assurances that there is only one way to get along with the Chinese—give in to them.

Arriving as Hong Kong's governor general this summer, Mr. Patten discovered a large loophole in the 1984 agreement that allowed him to double (from 20 to 40) the popularly elected seats in the 1995 balloting for the colony's 60-member Legislative Council. He announced his plan publicly and got support from the council—moves that the Chinese say they will never forgive.

Beijing's public fury and threats of retaliation have unsettled Hong Kong's stock market and imperil future investment. This economic squeeze may force the Legislative Council, which must approve Mr. Patten's proposals, to soften them next spring in hopes of pacifying Beijing.

That would tie the hands of the British, who admittedly have taken their own sweet time about bringing democracy to Hong Kong's six million inhabitants. The 1997 deadline triggered more concern about human rights in Hong Kong than did 140 years of colonial rule.

Mr. Patten did not originally intend to make his name as a democratic reformer in Asia. Prime

Minister John Major installed Mr. Patten in the comfortable governor general's job, which previously had gone to diplomats, after he lost his parliamentary seat in April. But there is every reason to believe that Mr. Patten and Mr. Major are sincere in trying to create viable democratic institutions before the Chinese take over. Mr. Major, against the advice of Sir Percy, took a tough line on human rights in Beijing last year.

The most intriguing part of the public dispute here has been the revelation by Sir Percy of what he thought of the Chinese during the long years of accommodationist advice. Sir Percy now warns Mr. Major that "it is fatal" to think the Chinese will give in or change their ways, adding:

"They fear democracy... They will not give way" on political reforms to avoid economic damage to Hong Kong or to China itself. Sir Percy has also been quoted as saying that the West should not have been surprised by the Beijing massacre. The Chinese leaders "were thugs, are thugs and always will be thugs" who will not allow economic reform to loosen their grip on political power.

That is probably accurate. But that is not the time Sir Percy, Mr. Bush or other coddlers sang in public to justify their zeal for not isolating China. Just the opposite.

Mr. Clinton was right in his campaign. Coddling doesn't work with China. Confrontation may not persuade the old men in Beijing either. But Mr. Patten has identified the key challenge.

Foreign nations may be unable to influence events in Beijing much. That is all the more reason for democratic countries to stand by the principles of democracy and bear witness to them, as Mr. Patten does. That puts the burden of responsibility for China's isolation squarely where it belongs: on Deng Xiaoping's shoulders. The Washington Post.

The Hong Kong confrontation does complicate Clinton's task in dealing with China, but it also illuminates it.

from the "Mandarins," the small group of old China hands in the British civil service who advised successive prime ministers to tread softly with China to protect British rule in Hong Kong.

The leading Mandarin, Sir Percy Cradock, is warning the Conservative government that it will lose this confrontation, which centers on democratic rights for Hong Kong. Mr. Patten's approach will bring repression and economic disaster for Hong Kong and disgrace for Britain, Sir Percy, Margaret Thatcher's longtime diplomatic adviser, suggested Wednesday.

This is not just an intramural dispute. The argument and the confrontation have erupted as Bill Clinton prepares to take over from George Bush, a charter member of the coddlers' camp.

Clinton at Quarterback and the Wind Behind Us

By James Carville and Paul Begala

WASHINGTON — Bum Phillips, the former coach of the Houston Oilers football team, paid the Miami Dolphins coach, Don Shula the highest compliment imaginable when he said, "He can take him and beat you'n, or he can take you'n and beat him'n."

Bill Clinton and Al Gore probably assembled as good a staff as anyone has ever put together for a presidential campaign. But the fact is that they would have won with the staffs assembled by Michael Dukakis or Walter Mondale. It has always been our belief that consultants do not win elections.

Mr. Clinton could have taken his staff and defeated George Bush's, or he could have taken Mr. Bush's staff and beat his own. The single best strategic decision we made as political consultants was to do work for Mr. Clinton in the first place.

While keeping in mind the pre-eminent role of the candidate, we believe a number of other strategic events and conditions contributed to the Clinton victory.

• The Hangover Factor. After the 1988 campaign, the media went through their ritualistic self-flagellation with more energy than usual. The next presidential election, they vowed, would focus more on budgets than bimbos. And yet the instant a supermarket tabloid published an outrageous, bought-and-paid-for tale about Mr. Clinton, otherwise responsible reporters dove for it like drinks diving for a jigger of whisky.

The behavior sickened even themselves. And from then on, the press largely resisted feeding frenzies based on unsubstantiated rumors.

• The El Dorado Factor. Like conquistadors who searched for the mythical city of gold, the Bush campaign was distracted by the search for a silver bullet in Mr. Clinton's draft records. That was a mistake. Mr. Clinton's draft record had been a constant issue since the New Hampshire primary. By the general election, people had heard his response and decided the issue was not important enough to make them change their votes.

Mr. Clinton even carried the veterans' vote. And yet the Bush people stubbornly continued, in the immortal words of the Texas politician Gib Lewis, "beating their heads against a dead horse."

In the end the draft issue hurt the president more than Mr. Clinton. The Bush campaign's fixation on the draft illuminated a critical flaw: They had no prescription for the economy,

health care or education. And voters figured that out. Which leads us to

• The Atchafalaya Factor. Louisiana legend has it that the Atchafalaya River has no bottom. Voters suspected the same of Mr. Bush.

In a speech to the Economic Club of Detroit in September, the president outlined what he called an "Agenda for American Renewal." It was hyped as the campaign's defining moment, the time the president would articulate his economic vision.

But when voters reacted to his new economic message with justifiable skepticism, the campaign dropped it. The president would have been better served by articulating his economic plan earlier in the campaign and sticking to it even after it failed in focus group tests.

If the content wasn't the greatest, voters would have at least rewarded the commitment. No amount of public-opinion research could have persuaded

impression he was not. Mr. Bush—who last year appeared surprised by a common supermarket scanner—could not answer the most obvious question put to him: "Do you get it?"

During the debate in Richmond, Virginia, a woman in the audience asked him how the national debt affected him personally.

When he replied, "I'm not sure I get it," voters figured out he didn't get an awful lot about their lives.

By contrast, when Mr. Clinton was asked by a viewer on CBS This Morning if he knew the price of bread, milk and blue jeans—and he did—he spoke volumes about his ability to empathize with average people, as well as his commitment to improve their lives.

• The Willie Sutton Factor. Willie Sutton said he robbed banks because that's where the money was. The Clinton campaign used nontraditional media to spread its message because we had to. Demand for political information—especially a specific plan for the economy—was high. When the traditional media were unable or unwilling to give Mr. Clinton time to discuss these issues, we turned elsewhere.

Television town-hall meetings, call-in shows and the appearance on "The Arsenio Hall Show" were all efforts to supply voters with information about Mr. Clinton and his plans. It is a matter of some pride that our campaign pioneered the use of pop-culture media. Ross Perot popularized this, but Mr. Clinton was there first.

• The Voters — Were There — Factor. If our starting point is that candidates, not consultants, win or lose elections, our conclusion should be that voters matter.

This was an important election to the American people and they made sure that it stayed focused on them. Voter interest was far higher than in previous elections: Viewership of the debates, commercials and political news was extraordinarily high, tens of thousands of voters turned out for rallies, and across the country people were talking about the election in serious and spirited tones.

The voters disciplined the press when it sunk into scandal-mongering and kept the campaign focused on the issues. Mr. Clinton survived the primaries because voters sensed that somewhere, under all the mud, there was a set of ideas that could change their lives for the better.

By contrast, Paul Tsongas and Jerry Brown faltered when people took a closer look at their plans and decided that a 50-cent gas tax or a regressive flat tax were not what they wanted. Candidates rose or fell on the quality of their ideas, as is proper.

As nice as it is to receive kudos for a well-run campaign, we have to admit that you would have had the same result without us, given our candidate and the high level of voter interest. Maybe that's the most gratifying news of the 1992 election.

The writers, partners in a political consulting firm, were strategists for the Clinton campaign. They contributed this comment to The New York Times.

A Reckless Portrayal of Our Family

By Jean Kennedy Smith, Eunice Kennedy Shriver, Patricia Kennedy Lawford and Edward M. Kennedy

WASHINGTON — As children of Joseph P. Kennedy and Rose Fitzgerald Kennedy, we categorically reject the misjudgments, mischaracterizations, insinuations and outright falsehoods about our family relationships portrayed in the book "J.F.K., Reckless Youth" and repeated by many reviewers.

We recognize that honest historians, biographers and journalists have differed and will continue to differ about the achievements and activities of members of our family.

Since the days when our grandparents Patrick J. Kennedy and John F. Fitzgerald first became involved in public life a century ago, our family has received extended scrutiny, much of it favorable, some of it harsh, most of it fair, but some of it keyed to sensationalism and exploitation for profit, regardless of the truth.

Rarely have we spoken out on such issues in the past, but we feel compelled to do so now.

The most offensive passages in this reckless biography are also the most false. After deeply immersing himself in our brother's early years, the author has grossly distorted the essence of our family relationships.

No one is better able to judge Mother and Dad as parents than we, their children. Whatever our brothers and other family members have achieved in their own lives is because of our parents, not in spite of them.

The book's repeated allegations of abusive family relations are outrageous falsehoods. It is grotesque to compare our father to Stalin. It is preposterous to call any of us "abused" children.

Our parents gave us love, support and encouragement throughout their lives. Contrary to the malicious portrayal in this book, they were devoted and caring parents who lavished affection and attention on all of us.

Dad's love for Mother was obvious to us and to their friends. Concern for others, especially those less fortunate than ourselves, was instilled in us from the beginning. It was a reflection of our parents' basic values, starting with their love for each other.

Mother was a powerful and loving presence in our lives—a deeply involved parent, a constant friend when we were growing up and an inspiring and gifted teacher who made American history come alive at the dinner table, on our trips to Plymouth Rock, the Old North Church and Concord Bridge and in other ways that the book disparages.

The author's claim that Mother "never kissed or touched and rarely saw" her children is ridiculous.

She read countless bedtime stories to us and read to us for hours at a time when we were sick. She took us for walks in our strollers and piled us into the family station wag-

on to go swimming at Walden Pond or for an outing on Cape Cod. Our earliest childhood memories are of exchanging goodnight kisses with Mother and Dad every night.

We continued that habit throughout our lives whenever we were with them, even as adults, and our brother continued to do so as president. It is especially revealing that nowhere does the author quote the best-known phrase that Jack often used in describing Mother, that she was the "kiss that held our family together." That is exactly what she was, as anyone who knows anything about our family will attest.

The dominant value that all of us felt in growing up was the importance of each of us in the family. Dad and Mother set high standards for us, and their love and support for each other and for us made those standards livable and reachable.

In their lifetime they suffered the losses of four children whom they loved very much and who loved them deeply in return.

Joe, Jack, Bobby and Kathleen meant the world to us, to each other and to our parents and they would not recognize the cruel and uncaring family this book describes.

Above all, Mother and Dad made our home a wonderfully happy and loving one for all their children. We honor them for the love, wisdom, care and strength they gave us throughout their lives.

Any so-called biography that tries to take our parents from us is not worth the paper it is printed on. The New York Times.

Better This Than the Cattle Sheds

By A. M. Rosenthal

BANJA LUKA, Bosnia and Herzegovina — In the cattle sheds the men lie on the floor, one blanket beneath them, one to cover them. They lie there 15 hours every day, locked in from the dark afternoon through the utterly black night. There is hardly an inch between them.

Soon it will be terribly cold in these mountains. But maybe, if the winter is not too bad, only a few hundred of the 3,000 locked in the windowless sheds built for animals will shiver to death.

The warden of Manjaca prison camp, a couple of rocky hours from Banja Luka, is a stamping-around fellow who fancies his parade-ground bellow. Still, as camp warden go he is relatively decent.

But I hated him. I thought of myself or my sons lying there in the black cold and I hated him intensely. I shouted at him about how the prisoners needed more blankets. Then I knew I had fallen into a moral and political trap. Men will die and the issue is not blankets but murder.

And in Manjaca, where Balkan Muslims known as Bosnian Muslims are imprisoned by Balkan Europeans known as Bosnian Serbs, I understood that like most other Westerners I had been making another mistake.

The mistake was believing that what Bosnia needed was simply food, medicines and arms to stop Serbian armies from taking over the country. If Bosnia is to survive it will also need long-term international protection.

More nations like Bosnia are entering independence with enemies determined to destroy them by war. And more Somalians—nations that hold out to their people no hope except a swifter death.

To pretend that these countries have enough military or government resources to survive is cruel and contemptuous. They need help, protection and counsel to achieve safe nationhood. Else they will be in continuing danger; so will peace.

A new UN protection system is needed. Unlike the old trusteeship system, the UN job would not be simply to receive reports from colonial powers acting in trust. The UN would have to be involved itself in a protective role. Its presence would be a considerable psychological barrier against attack. And it could help endangered nations achieve the governing skills that do not come with a new flag.

A protective system would mean surrender of some sovereignty for an agreed term—a reasonable price for long-term survival help.

In Belgrade, the Serbian government insists that war came because Muslims (some 44 percent of Bosnia's population) declared an independent state when Yugoslavia began breaking apart. They say that made the Serbs, with 31 percent, endangered aliens in their own country.

But Serbs in the democratic opposition to President Slobodan Milosevic speak the moral truth. They hold him guilty of shifting from communism to nationalist jingoism to stay in power. They hold him guilty of destroying Serbia's honor by massacre, atrocity and genocidal "cleansing" operations.

Full-scale military intervention by the West to save Bosnia will not happen. The West is not willing to try what Hitler and his puppet Croatian fascist government failed to accomplish in World War II: destroy the Serbs in their own mountains.

The most Bosnians can expect is the use of UN troops to keep food lines open and perhaps set up refugee safe havens in Bosnia, and the lifting of the arms embargo against them.

So the truth is that Bosnia's strongest hope rests on the Serbian democrats. With consistent Western help they can defeat Mr. Milosevic—probably not in the next election, on Dec. 20, but one day, Serbs are paying too high a price for this man's isolation and shame.

If UN help can keep part of Bosnia free, a democratic victory in Serbia would be Bosnia's lifeline out of the war. But grievances between Serbs and Bosnians will remain.

So will Croatia, which has taken big bites out of Bosnia. Bosnia will still be a Muslim-led country with a non-Muslim majority, in a tough neighborhood.

As much as any country, Bosnia would need United Nations protection for some years. That would be expensive for the donors and awkward for the beneficiary.

Only one thing stands in its favor. It is better than the alternative: to lie in the cattle sheds that await the weak and unprotected, nations as well as people.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Moneyed Math

LONDON — The Rev. Dr. Hiles Hitchens, of Eccleston-square church, alluded in his sermon last night [Dec. 4] to the death of Mr. Jay Gould. "To get some idea of the vastness of the possessions of the late Mr. Gould, let us make," said the preacher, "some interesting calculations. Suppose his millions could be changed into £5 notes, and those notes [joined together in one strip, it would reach from London to Moscow. Suppose you change those notes into Sovereigns, and place one sovereign upon another, they would make a column seventy-three miles high."

1917: A Broader War

WASHINGTON — President Wilson delivered his address to Congress to-day [Dec. 4], outlining America's war aims and principles upon which peace must be based, saying: "A very troublesome obstacle on our path is the fact that we are at war with Ger-

many and not with her Allies. I therefore solemnly propose that Congress declare the United States to be in a state of war with Austria-Hungary, Austria-Hungary is not at present her own mistress, but merely the vassal of the German Government."

1942: Pearl Harbor Toll

WASHINGTON — [From our New York edition:] The full extent of the disaster suffered by the American Navy and the Army and Navy Air Forces when the Japanese attacked Pearl Harbor on Dec. 7, 1941, was revealed at last by the Navy Department tonight [Dec. 5] in a statement which was topped off by the encouraging news that "this initial handicap" would be "overcome." Thirteen facts stood out in the grim history made public just two days short of a year from the time the services were caught napping by a treacherous enemy onslaught that altered the entire course of the war in the Pacific.

Yeltsin Urges a 'No' Vote

He Sees Anarchy If Measures Pass

By Celestine Bohlen
New York Times Service
MOSCOW — President Boris N. Yeltsin, in a brief but sharp address Friday to an increasingly fractious Congress of People's Deputies, urged delegates not to approve a set of constitutional amendments that he said would weaken the government, endanger economic reform and lead the country to anarchy.

The Congress, the country's highest legislative body, is set to vote Saturday in secret balloting on changes to the constitution that would require the president to submit the nomination and dismissal of top cabinet ministers to the Congress for approval.

These laws have emerged as the dusting ground this week between Mr. Yeltsin and the legislature over the fate of the current Russian government, headed by acting Prime Minister Yegor T. Gaidar. Their adoption, as now proposed, would certainly bring about Mr. Gaidar's fall and an abrupt change in his 11-month program of economic change.

To pass the constitutional changes they seek, anti-government forces among the 1,041 members of the Congress would need a two-thirds majority, or more than 694 votes. A week ago, most observers considered it unlikely that the government's opponents could muster that many votes, but tensions at the Congress this week have been running high, and hopes of compromise have receded.

The Congress voted, 688 to 210, with 34 abstentions, on a resolution expressing dissatisfaction with the government's economic reform program. This vote was taken as a sign that the centrist factions in the Congress, which last week were busily bargaining with Mr. Yeltsin, were not ready to come to the aid of the Gaidar government.

"The adoption of the amendments would mean a turnaround of 180 degrees," Mr. Yeltsin said, "and would reverse the development of Russian statehood."

"The future of the reforms will remain undecided," he added.

"The entire executive from top to bottom will be impaired. Instead of a weak and yet immature power, the country will get anarchy."



A legislator keeping an eye on proceedings Thursday as the Congress churned on.

Israeli Takes Europe Church to Task

Compiled by Our Staff From Dispatches
JERUSALEM — President Chaim Herzog of Israel accused Christian leaders Friday of not doing enough to fight neo-Nazism and racism in Europe.

"We must ask why the church, whose influence on hundreds of millions of believers is so strong, with a few exceptions has yet to declare a war of annihilation on anti-Semitism," said Mr. Herzog in a rare criticism of non-Jewish leaders. Mr. Herzog's office is largely ceremonial.

German rightist extremists have carried out nearly 2,000 attacks this year on foreigners and memorials to the 6 million Jews exterminated in World War II.

In the light of events of the distant and recent past and their lessons we expect to see the Christian church in its various branches and Christian clergy leading the fight against this plague," Mr. Herzog said in a radio address.

Mr. Herzog appealed to Israelis to work with European governments fighting racism.

"In the end, the leaders of the countries afflicted by this blight in Europe — Germany, Poland, Sweden, Italy, France, and other countries — are standing at the head of the struggle against the phenomenon," he said.

A poll published in Yedioth Ah-

ronoth newspaper found that 75 percent of the 490 Jews surveyed this week said they believed neo-Nazism would grow and spread. Forty-six percent believed Israel should take "practical, emergency measures" against Germany. More than half said they were satisfied with their government's official condemnation.

Prime Minister Yitzhak Rabin has called for action to "crush the head of the snake" before it grows. But the cabinet ignored proposals for tougher measures, including a ban on travel to Germany.

France on Friday banned the book "The SS Order: Ethics and Ideology," saying it could endanger public order with its "apology for Nazism, racism and anti-Semitism." The order, which came from Interior Minister Paul Quilès, bars circulation, distribution and sale in France of the book, written by Edwige Thiébaut.

Last month, an aide to Charles Pasqua, a senator and a leading figure in the conservative opposition, drew attention by criticizing the Socialist government for what he called inaction "in the face of a proliferation of the number of racist, anti-Semitic and neo-Nazi publications."

Separately, President François Mitterrand Friday expressed "great indignation at the odious

profanation of the graves of several Muslim soldiers" at a cemetery in Mulhouse, in eastern France. A total of 58 graves of Muslim soldiers, killed during World War II, were desecrated on Nov. 21.

In Sweden, a former French university professor who maintains that the Nazi Holocaust is a myth has been allowed to enter the country, the police at Arlanda Airport near Stockholm said Friday. Robert Faurisson was admitted Thursday night after telling authorities he would not make any public appearances during his private visit.

Hakan Holmberg, a Liberal Party legislator and chairman of the Swedish committee against anti-Semitism, described the decision to admit Mr. Faurisson as disturbing. (Reuters, AP, AFP)

China Said to Deliver Missiles to Pakistan

By Jim Mann
Los Angeles Times Service

WASHINGTON — In what appears to be a dramatic setback for American arms-control policies and for Chinese-American relations, U.S. intelligence officials have gathered evidence that China recently exported to Pakistan dangerous new missiles that it repeatedly has promised the Bush administration it would not sell.

According to intelligence sources, Chinese M-11 missiles showed up in Pakistan within the last two weeks. One source put the number of the missiles at about two dozen. The missiles were said to have been photographed as they passed through the Pakistani port of Karachi.

The M-11s are modern, solid-fuel, surface-to-surface missiles that are more accurate, more mobile and quicker to launch than the Scuds used by Iraq during the Gulf War. They would be particularly dangerous in Pakistan because the missiles could carry nuclear warheads.

A U.S. intelligence assessment earlier this year reportedly concluded that Pakistan had enough material to make as many as 10 nuclear weapons. Senator Larry Pressler, Republican of South Dakota, said in a television interview this week that based on what he had been told by intelligence officers, Pakistan now had nuclear weapons capability.

The appearance of the missiles in Pakistan also could pose serious new complications for U.S. policy toward China just as the Bush administration is leaving office and President-elect Bill Clinton is putting together the policies and personnel for his new administration.

A U.S. official said it was possible China had chosen this as a way of retaliating for the Bush administration's decision in September to approve the sale of advanced F-16 warplanes to Taiwan.

When the announcement of the Taiwan sale was made, the Chinese Foreign Ministry said in a statement: "The Chinese government

strongly demands the U.S. government revoke these wrong decisions. Otherwise, the U.S. side would be held responsible for all serious consequences arising therefrom."

After China made the statement, some Western specialists said Beijing might reply by shipping advanced weapons to such countries as Pakistan or Iran.

As for the timing of the action, one theory is that the Beijing leadership is taking advantage of the U.S. presidential transition period. "Maybe they thought now is the time they could get away with it," an American official said.

A CIA spokesman said the arrival of the Chinese missiles in Pakistan was "something that I just can't comment on."

Officials at the Chinese and Pakistani embassies in Washington also declined to comment.

"I don't know about M-11s," a senior Pakistani diplomat said.

China began marketing its M-11 missiles in the late 1980s. Preventing Beijing from exporting these missiles has been a main goal of the U.S. administration for three years.

Last year, the administration froze U.S. exports of high-speed computers and satellite parts to China after it found that Beijing had exported launchers for M-11 missiles to Pakistan. The sanctions

were lifted after James A. Baker 3d, on a trip to Beijing a year ago as secretary of state, received what he interpreted as a pledge that China would not export the M-11 missiles to Pakistan.

Mr. Baker said before a House subcommittee in February that China's pledge had been "a very substantial and significant step forward, if they will adhere to their commitment."

Sources said U.S. intelligence agencies were scrutinizing all available evidence concerning the missile transfer.

"There are people checking it out," a U.S. official said. "There has been some speculation and some reporting on that. It would be a matter of real concern, obviously."

Last spring, China agreed in writing to abide by the Missile Technology Control Regime, an international accord that prohibits the export of missiles with a range of more than 300 kilometers (185 miles) and a payload of more than 500 kilograms (1,100 pounds).

According to U.S. officials, the M-11 missiles, when tested in China, had a range of about 400 kilometers and a payload of 800 kilograms.

But sources said that there is now a disagreement among American intelligence officials about whether

the Chinese missiles spotted in Pakistan amount to a violation of the accord. It is possible, some U.S. officials have argued, that before exporting the missiles, China modified them to limit their range and payload so they would comply with the agreement.

Under a federal law passed in 1990, if U.S. officials concluded that the missiles in Pakistan violated the regime, the government would be required to retaliate by imposing some new economic sanctions against China, or at least against the Chinese units or enterprises that exported the M-11s.

The director of the Wisconsin Project on Nuclear Arms Control, Gary Milhollin, said that a missile capable of carrying a payload of 800 kilograms would be "certainly big enough" to carry a nuclear warhead. He added that with such a missile, Pakistan could "do substantial damage to India."

In talks with the administration over the last few years, Chinese officials have acknowledged concluding a deal to sell the M-11 missiles to Pakistan, but argued that the contract had been signed before China was subject to the Missile Technology Control Regime. But during Mr. Baker's trip to Beijing last year, China agreed that the regime's guidelines and parameters covered the M-11s.

China to Accept U.S. MIA Investigators

By Lenia H. Sun
Washington Post Service

BEIJING — Chinese officials have promised to allow a U.S. team of experts to visit China to investigate the cases of American servicemen who may have crashed in China during the Vietnam War, three U.S. senators said.

There is no evidence that any prisoners of war from that period are being held in China, U.S. officials said. "But there are several reports of crash landings of aircraft with Americans on board coming out of Vietnam during this period,"

said Senator David L. Boren, Democrat of Oklahoma, chairman of the Select Committee on Intelligence and head of a visiting Senate delegation. Among those thought to have been on the planes are servicemen still listed as missing in action, he said.

U.S. officials have been seeking permission for such a visit for some time, Mr. Boren said. The Chinese have little to lose by the gesture. At the same time, they may earn some goodwill from the incoming Democratic administration and the Senate, as Beijing's leaders consider

the difficulties in retaining most-favored-nation trading status with the United States next year.

The trading status must be renewed annually, and many members of Congress support linking it with human rights guarantees by the Chinese. Mr. Boren and his two colleagues, Claiborne Pell, Democrat of Rhode Island, the chairman of the Senate Foreign Relations Committee, and Carl Levin, Democrat of Michigan, have all voted in favor of attaching conditions to continuation of the favorable trading status.

FLIRT: Give Men a Break

(Continued from page 1)

work less fun, she said. "Frivolous accusations reduce, if not eliminate, not only communication between men and women but any kind of playfulness and banter," she said. "Where has the laughter gone?"

Judge Barry said she had been criticized by ardent feminists over the language she used. She related how, nine years after the fact, she still felt stung by the tongue-lashing a female lawyer gave her for calling a young woman a "girl."

Undeterred, she said, she asks prospective clerks today how they would react if she made a similar slip. Some, she related, "visibly coil up like cobras, narrow their eyes and their mouths, and spit out some answer which usually includes the word 'shocked.'"

The smarter ones figure out where the judge is going and laugh it off, and they get the clerks.

"Needless to say, I don't want a woman working for me who's waiting for me to shoot myself in the foot," she said.

The judge received a standing ovation when she finished. Off the premises, and off the record, some critics said the judge's privileged background had insulated her from the sexual wars in the workplace.

Not everyone, noted a prominent female lawyer, "is tall, blonde, beautiful, rich and had Roy Cohn as a sponsor." Mr. Cohn was, among other things, a powerful New York lawyer.

Judge Barry, a 1958 graduate of Mount Holyoke College who earned a law degree at Hofstra University 16 years later, described herself to the group as a "traditional woman" — someone who married and reared a son before entering law practice at age 37.

"I like a little chivalry, I like to receive flowers, I like taking care of a son and a husband," she said. "And in my judgment, those who recoil from these things don't know what they're missing."

Judge Barry did not say whether she had been sexually harassed, but she well knows the disconcerting feeling of wearing the only blouse in a sea of men's suits.

When she became a federal prosecutor in Newark in 1974, she constituted half the women in a 62-lawyer office.

The judge chastised feminists for pounding on befuddled but well-meaning men for the slightest in-attention or linguistic faux pas, particularly if it reflected cultural differences rather than malevolence.

"Instead of throwing down the gauntlet at every opportunity," she said, "may I recommend the use of humor and gentle sarcasm — the deft touch, the intelligent approach — rather than the atom bomb?"

"There is no more potent weapon in any profession than a woman with a feminine exterior and a will of steel," she said, "and I defy you to find one man who will disagree."

SERBS: New Move on Flight Ban

(Continued from page 1)

sharply cut the number of flights made over Bosnia and has apparently stopped the bombing and strafing of villages in the remnants of Yugoslavia.

But other officials say that the lack of enforcement has made the ban meaningless and may embolden the Serbs to spread the war to the Kosovo region, where the Muslim majority is also fearful of persecution and attacks by Serbian forces.

Some flights now being conducted appear to be used to move troops, deliver supplies and train pilots and soldiers, U.S. intelligence reports say. There are also unconfirmed intelligence reports that some flights have been used to attack ground targets.

■ Aid by Rail

The UN refugee agency said Friday that it was going to try to take aid into Bosnia-Herzegovina by train, an idea rejected until now as

too dangerous, Reuters reported from Geneva.

The decision came as Sadako Ogata, the UN High Commissioner for Refugees, warned that her agency had been stretched to its limits in former Yugoslavia, where 3.1 million people have been displaced by fighting.

Appealing for a rapid political solution to the region's problems, she told an international conference: "Humanitarianism cannot withstand the tide of misery for much longer."

The first UN train convoy into Bosnia, carrying 250 tons of supplies, will leave the Croatian port of Ploce on Monday, a spokeswoman for the commissioner said.

Although there is a direct line from Ploce to Sarajevo, the train will have to stop in Mostar, capital of the southern province of Herzegovina.

Fighting intensified in and around Sarajevo on Friday, Agency France-Press reported from Sarajevo.

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ART

The Rediscovery of a Lyrical Artist

By Michael Gibson
International Herald Tribune

MILAN — William Congdon, a largely forgotten American artist of persuasive lyrical sensitivity, is making a comeback in a major retrospective here.

Forty years ago, Congdon had rocketed to the height of his fame. He was on the cover of Life magazine, his work was being shown by Betty Parsons, the dealer who supported the major artists of the day, he was respected by his Abstract Expressionist peers — Mark Rothko, Jackson Pollock, Clyfford Still, Ad Reinhardt and others — and praised by the hard-to-please critic Clement Greenberg.

Not only did Peggy Guggenheim buy his paintings — most of them devoted to Venice at the time — she also felt sure that Congdon, born to a family of wealthy Providence, Rhode Island, industrialists on the day the Titanic sank in 1912, had to be the reincarnation of her father who went down with that ship.

Yet only 10 years later, in the early '60s, Congdon disappeared from the scene. Others, during those same years, died or committed suicide and their paintings found their way into museums and into art history. Congdon, however, most unpardonably failed to die. He did much worse, in the view of the art world, by attempting to sort out his conflicts between a stern Rhode Island puritanism and the exacerbated sensuality that also shines in his paintings by entering a lay community in Assisi. It was, in a sense, a collapse, and Congdon readily acknowledges it: "I collapsed into the Church."

During the 10 intervening and highly productive years, Congdon had lived mostly in Italy, which he

had learned to love as an ambulance driver following the armies he had joined in North Africa and accompanied as they ramed their way up the peninsula through Monte Cassino and into Germany. He was among those who were lastingly shattered by what they discovered when the gates of Bergen-Belsen were opened.

Venice was the city of his artistic dreams. According to Peggy Guggenheim, he was "the only painter, after Turner, to have understood Venice. . . His way of expressing himself is modern, his understanding is as ancient as the city itself. He has managed to capture the actual essence of many centuries and fuse this vision into a dream so fantastic and beautiful that his paintings take one's breath away."

But Congdon did not stay put in Venice. Nor did he stay with the New York art world that, in so many ways, was a stimulus to him. He traveled widely. In India, Istanbul, Mexico, Guatemala, Santorini and the Sahara he discovered gilded monuments, dark chasms and a featureless solitude. All of this seemed, in a way, to embody the drama of his age and his own inner life — the high demands, the untamed recesses, the loneliness.

Some of his earlier work was done in 1948, when he lived in a tenement in the Bowery. Later that year, he moved to a 30th-floor Park Avenue apartment, where he painted black cityscapes — "Destroyed City," "Red City," "Black City" — which convey something of the seduction of New York, but also its self-destructive violence.

But his Venice paintings, done when the artist was in his 40s, remain the best embodiment of Congdon's distinctive style: a thick and crumbly impasto is carved and cross-hatched with a manifest fury



Congdon's "Piazza Venice N12" (detail), 1952.

to trace the dark, dramatic architecture of St. Mark's Square, while a soaring red campanile tilts the golden church.

CONGDON used gold abundantly, echoing the Byzantine wealth within the basilica — and gold, because it embodies a surface without depth, appears to signify the serene, hidden timelessness of eternity.

Yet there is never a hint of preciosity in the use of this aesthetically risky element, and Congdon managed to paint works that are both figurative and beautiful and win acceptance for them, precisely at a time when such qualities were largely viewed with suspicion.

The intensity of these paintings is most obviously that of his own inner life. He shapes his cityscapes and his landscapes to evoke the violent, gut-

wrenching emotions that they signified for him. The Coliseum in Rome is shown from above, the city perched on its rim, as though on an ominous blackened crater, while some years later the breathtaking crater of the exploded island of Santorini was endowed with a tumescent central cone that is more sexual than topographical.

Such dramatic sexual connotations may be read into many of these works, but they are wrapped up in a broad range of other references, and in a passionate lyricism, a vitality but tender enthusiasm that is rarely found in the art of this century.

Traveling to Guatemala in 1957 he painted mostly condors, using them to embody his own spiritual crisis — a dying condor, a condor swooping down upon a dove evoking the dark and the light sides of the artist's nature that he found so difficult to reconcile.

A stylistic break becomes apparent after Congdon's withdrawal to Assisi. He undertook to paint religious subjects which are particularly problematical in this day and age. The idea must have seemed obvious to him and the tradition of Italian art appeared to point that way. Yet it raised many difficult problems: Why is one stirred by Matthias Grunewald's "Crucifixion" or van Eyck's "Mystic Lamb," and much less so by Rouault's "Holy Face"? Why does Congdon's "Gethsemane" seem less poignant than his golden piazzas and ominous volcanoes?

There is no easy answer, except perhaps that the mystery of the piazza or of the condor refers the viewer back to himself and to what he feels, while the religious subject has for some reason lost much of its mystery and tends to refer one outward. One may, however, note an affinity between some of Congdon's crucifixes and Jean Fautrier's famous "Hostages" series.

His phase lasted a few years, after which Congdon returned to subjects he had favored earlier. He traveled again during the '70s, then moved from Assisi to another lay community near Milan — a city he has portrayed in a few critical, chaotic paintings.

In the '80s, as he traveled less and less, spending most of his time in his studio in the flat and featureless countryside outside Milan, he began painting works in a totally different vein. They are very close to minimal, the muted tones of the fields being raised vertically in simple patterns on the canvas.

Yet here too, we are not confronted with the austere immobility of a Mondrian abstraction, but in a subdued and distant idiom, with the passing of the seasons, the tremors of germination, the silver screen of rain before the window.

In this way, at 80, Congdon continues to hover at the risky outer limit of what can barely be expressed. The handsome, 100-work retrospective of Congdon's work, set up and presented by Fred Licht, curator of the Guggenheim Foundation in Venice, is at the Palazzo Reale through Jan. 17.



Staircase photographed by Jean Mounicq, seeking to capture vanishing Paris.

Remembrance of Paris Past

By Barry James
International Herald Tribune

PARIS — Jean Mounicq's ability to see beauty in simple things this week earned him the 38th Nadar prize for photographic books. The prize commemorates a pioneer French photographer.

His "Paris Retraverson" — roughly translatable as "Paris Crossroads" — is a marvelous evocation of those fleeting human qualities rather than the monumental aspects that Paris residents love about their city.

Wanting to leave a record of his city for his daughter, before it succumbed to developers and planners, Mounicq explored Paris street by street in 1979 and 1980, taking more than 12,000 black-and-white photographs.

To describe Mounicq as an observer of human qualities is a paradox, since people (and animals or birds) appear in his photographs only as they were by accident: a child caught fleetingly at play, the shadow of a man captured through the door of a synagogue. Mounicq's photographs are intensely inhabited nonetheless. His pictures of apartment

house courtyards, cobblestone streets glistening with pools of water or worn stairways dappled with fallen leaves resemble theater sets on which the actors are just about to appear.

It is sad to realize that in the 12 years or so since the photographs were taken, much has already disappeared. Many of the timeless houses have given way to smart apartment or office blocks. And with the slow disappearance of the legendary concierges, the courtyards that give many Paris residences a special flavor have been sealed off by closed doors and entry phones.

The character of the courtyards changes from quarter to quarter. Roman busts gaze sternly down on neoclassical facades in the elegant arrondissements. Pots of flowers and trellises of leaves add a touch of charm to even the humblest settings in the poorer quarters.

Mounicq ignores the monumental Paris that tourists know. He does not seek to convey events or depict the merely picturesque. The photographs, which are splendidly reproduced in an edition by the Imprimerie Nationale, the state printing office, are personal and humble yet at the same time intensely truthful.

Mapplethorpe Grant to Guggenheim

By Charles Hagen
New York Times Service

NEW YORK — The Solomon R. Guggenheim Museum will receive a gift worth an estimated \$5 million from the Robert Mapplethorpe Foundation.

Under the terms of an agreement worked out between the two institutions, the Guggenheim is to receive \$2 million in cash and a collection of more than 200 photographs and other objects by Mapplethorpe, who died of AIDS in 1989.

"We felt that the Guggenheim, with its distinguished history and its exciting vision of the future, was the best place to maintain and build upon Robert's artistic legacy," the president of the Mapplethorpe Foundation, Michael Stout, said in announcing the agreement.

Thomas Krens, the Guggenheim's director, said the gift "will enable us to collect and program in the field

of 20th-century photography from a position of strength."

As part of the agreement, the Guggenheim will name the fourth-level gallery in its new addition after the photographer and will present at least one major photography exhibition every two years.

The dedication of the newly designated gallery, accompanied by a small exhibition of Mapplethorpe works, is tentatively set for the spring.

The museum has also set up a photography committee to advise the curatorial staff and trustees on future exhibitions and acquisitions.

The gift to the Guggenheim comes at a time when another major New York museum, the Whitney Museum of American Art, is also in the process of establishing a permanent photography collection.

"There may come a time when we'll make a similar gift to the Whitney," said Stout, who is a member of the recently formed photography committee at that institution.

FOR SALE/SOLD

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Advertisements for travel services, including tours, flights, and holiday packages.

Portraits,
Posies
And Peale

By John Russell
New York Times Service

WASHINGTON — How could he not have been a painter? The son of a painter, he was christened Rembrandt. His brothers were christened Raphael, Titian and Rubens. His sisters were named after three women painters. He named his son Michael Angelo. He traveled to England, to France, to Italy. Fired by Jeffersonian ideals, he was open all his life to new ideas, new places and new people. The son of Charles Willson Peale, who was not only a painter but also an inventor, a political figure and a man of science, he inherited his father's passionate belief in the power for good of the museum. What came of it all can be seen in "In Pursuit of Fame: Rembrandt Peale 1778-1860," an exhibition at the National Portrait Gallery in Washington through Feb. 6. This is very much the right place for it, since it was Charles Willson Peale's belief that portraits of great Americans had an important role to play in American self-awareness.

Rembrandt Peale had the best possible start. As a portraitist, his father was hugely popular. After John Singleton Copley left for England in 1774, Peale was the painter of first choice when it came to recording the great Americans.

At 17, he was allowed into the studio when his father was painting George Washington, and produced a portrait of the father of the nation that had about it a truthful plainness. At 21, he painted the "Rubens Peale With a Geranium" that is one of the great American documents of its day. In London, Rembrandt Peale painted Sir Joseph Banks, a great explorer, and was made welcome in a laboratory that gave curious sores at which the curious could watch the march of science in action. In Paris, he painted Jean-Antoine Houdon, the greatest of French portrait sculptors; Vivant Denon, the mastermind behind the Louvre; Bernardin de Saint-Pierre, the author of that sweetest of love stories, "Paul et Virginie"; Count Rumford, inventor, and that vener-



Detail of Rembrandt Peale's portrait of his wife.

able mineralogist, the Abbé Haury. He also drew portraits of Talma, the great French actor, and Robert Owen, the English Utopian. Once back in the United States, he painted the portrait of the architect Benjamin Henry Latrobe.

Such is the unadorned eloquence of the portrait of Latrobe that we realize all the more strongly that Rembrandt Peale was a very uneven performer. When he was face to face with someone who stood for what he admired most in his native country, his talents took wing. When he wasn't, he often came on like a privileged journeyman.

If the little portrait of Latrobe can almost rival some of the single heads of Degas, it was doubtless in part because Rembrandt Peale was fired up by Latrobe's paramount role in the rebuilding of the Capitol.

As for the portrait of Rubens Peale with an outside geranium, it is irradiated by a twofold gush of deep feeling. Rubens Peale, so difficult in his manner and yet so subtly determined, was a younger brother who meant much to Rembrandt Peale.

But allied to family affection is the genius of the geranium that Rubens holds. Lillian B. Miller, the main author of the catalogue, says that the geranium in question was a favorite with the great English landowners of the day.

It is the almost symbiotic relationship between Rubens Peale and the geranium that has made this one of the most popular paintings in the National Gallery.

A Cautious Revival in Impressionist Market

LONDON — The market is slowly getting back to its feet. In sale after sale, evidence is growing that its leading sector, Impressionist and Modern Art, has been granted a new lease on life, if one that remains fragile.

Figures point both to the regained strength and to lingering threats. Sales were substantial this week. On Monday night, Christie's raked in £18.3 million (\$28.6 million), followed by Sotheby's on Tuesday night, with £12.4 million. But in both houses, more than one-third of the works were left stranded.

The high failure rate was largely the result of the poor quality of many of the lots. It also reflected the perennial disease of which auction houses are unable to cure themselves — overestimation. If there was

SOUREN MELIKIAN

one striking feature this week, it was the vigorous resistance put up by the buyers against inflated estimates. The majority of lots were sold below, sometimes far below, the lower limit.

This was clear from the beginning, but most glaringly so when the week's first attraction, a group of seven Cézannes, came up at Christie's. The pictures once belonged to Auguste Perlem, who formed the largest and finest collection ever of the master's oeuvre, between the closing years of the last century and the early 1920s.

The first in the series was a curious study in oils of two men standing under a tree. They are Fortuné Marion, a now forgotten painter who influenced Cézanne's career, and Antony Valabrègue, an equally forgotten writer. Cézanne sketched them in the autumn of 1866 in thick broad strokes in a style that was very audacious and advanced for its time but that is unrelated to the manner, developed 15 years later, for which he is admired. The £250,000 to £300,000 estimate was hopeless. Bidding stopped at £150,000. As soon as the sale was over, Christie's let it go to a post-mortem bidder offering £180,000.

A second and perhaps more telling correction to the printed estimate was forced on Christie's by the unidentified buyer of the admirable landscape that followed. The view of the pond in the garden of Cézanne's house, the "Jas de Bouffan," was painted about 1878. Bold, harsh, stern and humorous all at once, it is remarkable for its contrasted bands of color and ranks among the artist's early masterpieces. But the £1.6 million to £2.4 million estimate was just too high. The landscape sold on a £1.4 million bid.

Most interesting is the contrasting fate of the two Cézannes seen as truly "important." One is a landscape with bathers, five men in the nude. The handling of the



Cézanne's study for the pipe smoker in "Les Joueurs de Cartes."

foliage in patches of color is fine. But the men are not too good — two are clumsy, one bordering on the grotesque. Whoever put £2.8 million to £3.6 million on the picture must have been in a very rosy mood. It was knocked down at £2.75 million, which, with the 10 percent charge, is pretty expensive as it is.

The other picture is the portrait of a man done as an elaborate study for the pipe smoker in "Les Joueurs de Cartes." Quite different from the final version, it is a fantastic painting on its own and there

aren't many fantastic Cézannes left outside museums. This time, the public corrected the £1.6 million to £2.4 million estimate upward. The portrait went up to £3.52 million, a hefty price but a fully understandable one. The buyer, said by trade sources to be an American collector, made the truly great acquisition of the work, confirming as he did so that the market these days is increasingly under the control of connoisseurs.

If one was left in doubt on that score, Sotheby's evening sale the day after bore

out the conclusion, with interesting nuances. Not least is the fact that connoisseurship now reigns supreme in every school up and down the financial scale. The demonstration began with Lot 1, which could be described as the most perfect Daubier study of characters in pen and wash seen in years. Admirably composed with its two characters set in center stage against a background of shadowy heads (the public) "Avant l'audience. L'avocat et son client" soared to £297,000. This is a huge price, worthy of the days when the late Armand Hammer bought them all, and, again, one that is well adjusted to the outstanding quality of the work.

Fans of Egon Schiele would argue the same about three of the four watercolors or drawings in the sale. The best, an elaborate study of a young boy in a sailor suit, brought £429,000, a gigantic price even if this is a mere 10 percent above the high estimate. But then a self-portrait in charcoal precisely doubled the high estimate as it climbed to £220,000. A New York collector got it, outbidding a European competitor, both operating through Sotheby's agents on the phone.

Most revealing was the reaction to the star lot in the Sotheby's sale, which would otherwise have been hopelessly thin. Kandinsky's "Sketch I" for "Composition VII" is the first of six studies for the famous painting in the Tretyakov Gallery in Moscow. It was executed in three days in 1913. In many ways "Composition VII" could be argued to be the first monument of self-conscious Abstractionism and therefore "Sketch I" is the very first milestone on the whiff of history — it was given before 1925 by Kandinsky to his friend Paul Klee, whose grandson Alexander, a painter in his own right, was selling it to pay enormous death duties. Weighing against all that is a certain confusion in the composition. "Sketch I" is too busy for its size.

Had Sotheby's stuck to the original estimate quoted as a flat £5 million, it would probably have got quite a bit more. But soon "£6 million to £8 million" was being murmured. According to his agent, who requested anonymity, a high-powered New York collector flew to inspect the Kandinsky and was very much taken with it until Sotheby's staff volunteered the opinion that it would probably fetch £10 million to £15 million. Suspecting hype, rightly or wrongly, the New Yorker walked away, greatly irritated and determined to have nothing to do with it. Bidding was slow and crept up with some difficulty from its £3.8 million starting bid to the final price, £5 million plus 10 percent.

The buyer was described by trade sources as a German financier. The sources added that this is his first acquisition of such magnitude. The banker's fi-

nancial instinct served him in good stead. True, the Sotheby's picture is not nearly as powerful as "Fugue," done a year later by Kandinsky, which was sold off by the Solomon R. Guggenheim Museum at Sotheby's New York in May 1990 for a record \$20.9 million. But "Sketch I" is an icon, and one loaded with art historical significance to a greater degree. While Sotheby's may, perhaps, have compromised the chance it had to sell it for more by suggesting that very possibility, the sketch fetched just about the right price.

The Kandinsky saga not only confirms the role of connoisseurs but it reveals a new availability of cash for art. This could be verified at all levels during the week. The enthusiastic reception that a delightful little Max Ernst, "Forêt et Soleil," got at Sotheby's — where it nearly doubled its high estimate at £115,500 despite its small size, 9.5 by 12.6 inches (24 by 32 centimeters) — proves it too.

If there were so many casualties it was because there were so many daubs. In a market dominated by people who know a bad painting as well as a good one when they see it, the daubs fall without a battle.

SUCH was the fate of a ridiculous Degas pastel of two women bathing in a pool, unsold at Christie's at £75,000. Christie's estimate, £200,000 to £300,000, might have influenced beginners two years ago. Now, no longer. Not one bid came from the room. The story repeated itself at Sotheby's with an uninspiring sketch of a feminine head in charcoal by Gauguin. Simon de Pury, who was taking the sale that night and did it brilliantly in a very Gallic spoozy style, called out, "£50,000!" then, "£55,000!" took one look at a sea of wooden faces confronting him and quickly brought down his hammer. The £80,000 to £100,000 estimate had suddenly lost all relevance. Auction houses may deplore it, but it is a healthy sign.

Another sign of recovery is a stir of activity among dealers. Michel Strauss of Sotheby's, doyen of Anglo-Saxon auction house experts in Impressionist and Modern Masters who has his world who's who of art buyers at his fingertips, reckoned at a glance that 25 percent of the buying on Tuesday night was done by professionals. Those I noticed buying belonged to the elite of the trade: Ernst Beyeler of Basel, Switzerland, and Bill Acquavella of New York.

Acquavella had quite a coup at Christie's. He got for £243,000 the striking preparatory study in oils by Cézanne for "La Tentation de Saint Antoine," cleverly raising his hand just as it was about to be bought in. Often discussed and illustrated, the sketch carried a plausible £300,000 to £500,000 estimate. For buyers who know what they are doing, times have never been so interesting since the 1974 slump.

In New York, Chinese Buying Power

THE buying power of Chinese art collectors made itself felt on a spectacular scale at Christie's sales in New York this week.

This was first demonstrated on Wednesday when part of the collection of calligraphy formed by the late Li Qiyun (1919-1984) attracted Chinese connoisseurs who competed beyond the wildest expectations on some occasions. The two most expensive lots were also among the very earliest. A hand scroll on paper considered to be the work of the seventh-century calligrapher Lu Jianshi, whose signature indeed appears on it, soared to \$396,000. Many collectors' seals were stamped in the margins through the centuries, including one of Emperor Song Huizong (1101-1125) and several from famous men of letters and artists, which made a significant difference.

An album of 33 leaves with calligraphy by the Buddhist monk Huaisu (703-after 799) took Christie's experts by surprise as it climbed to \$319,000, far above the expected \$50,000 to \$70,000. It was not entirely unpredictable, however. This is the only known surviving copy of rubbings made from stela in the 12th century, which were carved at the time after the "Thousand-Character Classic" calligraphed by the artist in the eighth century. Huaisu always has been one of the most revered calligraphers in China.

The day after, it was Chinese taste again, which dictated the price hitherto unmatched paid for a small turquoise-green celadon dish, 6.9 inches (17.7 centimeters) across, which brought \$1.54 million. It belongs to the category known as Northern Song to English-speaking collectors (from the name of the

dynasty under which it was executed) and *ruyao* to Chinese connoisseurs. About 100 pieces of this imperial type of porcelain, two thirds of them in Chinese hands, have been recorded. This one was sold by the Chinese dealer C.T. Loo of New York to the Chicago collector Stephen Junkunc 3d, whose son Stephen Junkunc 4th consigned it to Christie's. The *ruyao* dish went to a Hong Kong collector, outbidding a Japanese agent on the telephone

from Tokyo. This is a personal triumph for Theow-Huang Tow, Christie's Chinese expert. The large number of lots otherwise failing to sell in the auctions of paintings from various sources and of objects d'art must be stressed, however. It should serve as a warning that estimates must still be reduced very substantially on most of the works of art.

Souren Melikian

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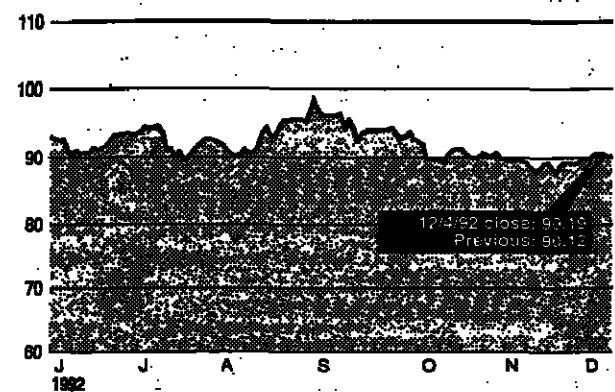
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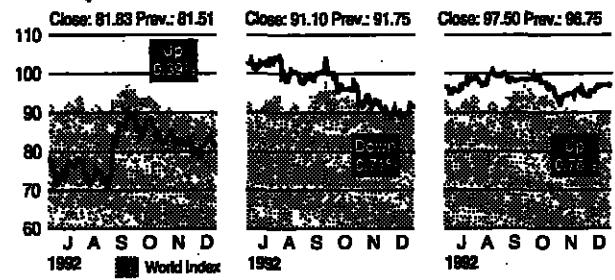
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Industrial Sectors	HL	HL	HL	HL	HL	HL	HL	%
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Energy	90.52	90.89	+0.52	Capital Goods	91.00	92.07	+0.18	
Utilities	85.08	85.32	-0.28	Raw Materials	91.58	92.08	-0.55	
Finance	80.92	80.94	-0.02	Consumer Goods	90.81	90.52	+0.91	
Services	99.03	98.98	+0.10	Miscellaneous	92.10	92.28	-0.20	

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

Hong Kong Still Wary Despite Rally

Compiled by Our Staff From Dispatches
HONG KONG — Stock prices surged 5.82 percent on Friday, recouping some of the week's sharp declines, but brokers warned that any recovery would be short-lived unless Governor

Chris Patten backed down on his plans to increase democracy in Hong Kong in the final four-and-a-half years of British rule.

The mood in the market was buoyed somewhat by news that Chinese and British officials would meet next week in a regular session of the Sino-British joint liaison group.

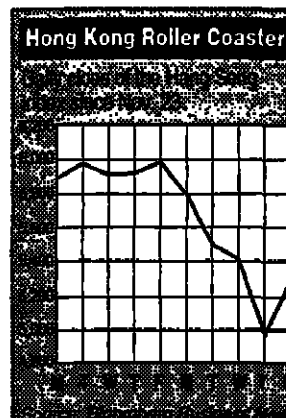
Few analysts believe much will come out of the talks, however. There is no reason for either side to move from their stated positions, said Margaret Ng, a political commentator.

The Hang Seng index jumped 289.89 points on Friday to 5,268.10. Even with the gain, however, the index ended the week down 718.57 points, or 12.0 percent, and 18.6 percent below the record high of 6,470.83, set Nov. 12.

The surge followed strong gains for major Hong Kong stocks in London overnight following a perception that the market — by most reckonings Asia's cheapest major bourse — had become massively oversold following Thursday's 8 percent plunge. But after Friday's early leap, prices leveled off.

"This is a pure technical rebound," said Antony Mak, analyst at Vickers Ballas. "I see basically a bear market."

Some brokers said Beijing was trying to send the market into a tailspin to sway public opinion against Mr. Patten's proposal to allow Hong Kong people for the first time to elect, directly or indirectly, a majority of the Legislative Council, Hong Kong's legislature.



widely believed that China has tremendous influence in the Hong Kong futures market and there's been a great deal of volatility there," said Barry Yates, head of research at Asia Equity.

There were signs Friday that such a shift in sentiment was taking place. Chiu Pui-chung, who represents the financial-services community in the legislature, said several hundred stockbrokers had

signed a letter demanding that Mr. Patten be dismissed. "If they decide to march up to Government House and hand in the petition letter, I'm happy to go with them," Mr. Chiu said. He refused to name other signatories, but said the group would take out advertisements in the local press next week against Mr. Patten's proposal.

Former foreign secretary Lord Howe became the latest British official to take up Mr. Patten's cause, saying that China could not forever avoid negotiations over Mr. Patten's proposals.

"It is very important to recognize, quite simply, the need for China to address itself to these issues with the view to finding a common solution," Lord Howe said during a visit to Beijing.

Dealers say the fact that Hong Kong's Legislative Council will not vote on Mr. Patten's proposals until next spring means the war of words with Beijing will continue at least until then, continuing to lighten investors.

(Reuters, Bloomberg, AFP)

Bonn and Paris Set Out Agenda For EC Summit

By Brandon Mitchener

International Herald Tribune
BONN — Chancellor Helmut Kohl of Germany and President Francois Mitterrand of France ended two days of talks Friday claiming broad agreement on a variety of problems that have threatened to upset a European Community summit meeting next week in Edinburgh.

In the most detailed announcement to come out of the meeting, France and Germany jointly unveiled a plan to spur Community economic growth by subsidizing capital investments in such areas as infrastructure and residential construction. The plan, which is similar to a proposal of the EC Commission, envisions a key role for the European Investment Bank and the European Investment Fund.

Some French officials went so far as to say the two leaders had reached a grand compromise on contentious issues such as locating the European central bank in Frankfurt and expanding the European parliament to give Eastern German representatives a vote. But German officials were generally more reserved about the results of the meeting, which the two countries, the axis of the Community, held twice a year.

It was unclear whether other Community members would welcome all of the French-German proposals, which include speeding up ratification of the Maastricht treaty on European monetary and political union and simultaneously accelerating expansion of the Community itself.

Concerning ratification of the Maastricht treaty, Mr. Kohl and Mr. Mitterrand both said that they expected the treaty to be in force by next summer, putting pressure on Denmark and Britain, which both lag in the ratification process. "It cannot be allowed that the slowest member of the Community be allowed to dictate the tempo for the entire fleet," Mr. Kohl added.

See MEETING, Page 10

Mr. Kohl, in what some observers said was a classic example of Germany and France determining the agenda for the Community's other members, said the Community should complete membership negotiations with Austria, Switzerland, Finland, Sweden and Norway by the end of next year. "Despite all of our difficulties, we must not come to a standstill," he said.

"France and Germany will pursue political integration in spite of all obstacles," he said.

In Brussels, meanwhile, EC officials and diplomats said that, providing the question of finances was settled in Edinburgh, other countries could now be prepared to drop the condition that the Maastricht treaty come into force before new members be admitted, Reuters reported.

Regarding the financing of a growing EC budget, German statements said only that members "had to" reach a "responsible agreement" in Edinburgh on the past known as Delors-II, after Jacques Delors, president of the EC Commission.

One German official said he was reluctant to speak of "break-throughs" noting that both sides agreed to simply postpone discussion of one of the most contentious issues facing the Community, opposition by France to an agricultural component of world trade talks.

Mr. Mitterrand scored a minor victory in getting the thorny issue of agricultural subsidies postponed until after the EC summit, reiterating his view that the deal hammered out between the EC and the United States unfairly discriminates against French farmers.

Mr. Kohl, who has supported a quick end to the trade impasse, however, said: "We know how important the Uruguay Round of the General Agreement on Tariffs and Trade is in a period of worldwide recession." Nevertheless, instead of embracing Mr. Mitterrand with criticism of France's stance, Mr. Kohl added: "We also need a European agriculture that has a dependable future."

Finance Minister Theo Waigel

For French Farmers, a Royal Ally in U.K.

By Brandon Mitchener

PARIS — Prince Charles of Britain spoke out in defense of France's farmers on Friday and criticized the unbridled market economy.

The prince said France had set an inspiring example "by giving due importance" to what he called "rural traditions" and "elements in our lives which enrich and enoble us, but which are not 'cost-effective' in strictly economic terms."

Members of Parliament from both major British parties quickly criticized Prince Charles, saying his remarks were an intrusion into a sensitive political debate about trade.

"It is unacceptable and remarkably insensitive and ignorant of the price to step into the middle of the finely balanced negotiations in which thousands of British jobs are at stake," said Bob Cryer, a member of the opposition Labor Party.

A Conservative member, Andrew Hargreaves, was less blunt. "The Prince of Wales seems to be particularly attached to the rural idyll, into which harsh reality seems to him to be an inconvenience," he said.

The British government, which has been a strong critic of French farm policy as a potential threat to a global trade deal, sought to play

down suggestions that Prince Charles was meddling in politics.

A government official rejected any suggestion that Charles was supporting the French farmers in their struggle and said the Prince of Wales was simply emphasizing that France "sets the rest of us an inspiring example of civilized values perpetuated and nurtured within an overall cultural approach to life."

Prince Charles spoke at a ceremony making him an associate of the French Academy of Political and Moral Sciences.

Prefacing his remarks by saying he had been warned not to mention Anglo-French disputes over world trade talks or the European Community, the prince voiced admiration for France's efforts to preserve uneconomic rural ways of life.

"Because of the imperatives of trade, and the unyielding rigors of 'comparative advantage,' do we really need to compress the traditions and vitality of rural life and culture into the straitjacket of an industry like any other?" he asked.

"One of the joys for me of being in France is that you have a particularly strong sense of the human spirit of unrelenting migration from the countryside to the big cities."

France, Europe's biggest agricultural producer, has threatened to veto a world trade accord because it opposes a U.S.-EC deal to slash subsidized farm exports and restrict oil-seed cultivation.

Britain was the most outspoken European advocate of the deal.

The chairman of Labor's parliamentarians, Doug Hoyle, said the prince "would have been better to stay out of these delicate negotiations in relation to GATT."

"The best thing is not to inflame passions on the French side," Mr. Hoyle said. "Usually the Prince of Wales is pretty sure-footed. I think he has been badly advised to allow himself to get involved in this."

Robert Spink, a Conservative member, said: "The Prince of Wales should be defending the people of this country who have to pay £16 (£25) a week per family extra on average to support the French farmers and their food mountains."

In his speech, Prince Charles condemned laissez-faire government, saying: "There is a disturbing readiness to rule out precautionary action in favor of waiting until disaster occurs."

He also said criticized "the pursuit of growth," saying it caused ecological and other problems.

KIO's Grupo Torras To Seek Receivership

Compiled by Our Staff From Dispatches

MADRID — Grupo Torras SA, the Spanish holding company for the Kuwait Investment Office, will file for receivership, the company's deputy chairman, Mahmood Nouri, said Friday.

Mr. Nouri said the group's cumulative losses amounted to more than \$4 billion, and that reports completed by auditors and lawyers left no option.

"The findings of our investigations over the last two months have been far worse than the most pessimistic situation we envisaged," Mr. Nouri said at a news conference.

The application for a suspension of payments to creditors, which has to be considered by a judge, does not extend to the group's subsidiaries, including the Spanish paper group Torras Papel, of which Torras holds 90 percent, and Ercros, a mining and fertilizer group of which Torras is the majority shareholder.

Analysts said the move could be politically embarrassing for the KIO. Economics Minister Carlos Solchaga warned KIO officials last week that a suspension of payments "would produce complications for KIO." He also said that such a move could jeopardize the jobs of up to 30,000 workers.

John Fordham, one of Torras's lawyers, said the group's losses had been accumulated "mainly because of mismanagement on a massive scale." He said \$2 billion had been lost in share transactions, a further

\$700 million in share-support operations and \$600 million of short-term financing.

Torras also said the KIO will prepare documents for "legal action" against the former administrators of Torras and of Torras's subsidiaries.

Javier de la Rosa, the former KIO representative in Spain and Grupo Torras's former deputy chairman, has repeatedly denied any irregularities. He said Friday's decision was a result of KIO's refusal to honor its commitments in Spain, and denied that \$4 billion had been lost.

Mr. Nouri's team took over at the head of Torras in June, ordered a new audit of the 1991 accounts and launched a full-scale study into the viability of its businesses.

The audit showed a 44.4 billion peseta (\$390 million) loss for last year instead of the 3.96 billion profit reported originally. It also found irregularities in the former management of KIO's investments.

The struggling industrial group has accumulated global debt of 330 billion pesetas. Mr. Nouri confirmed that the KIO recently injected \$1 billion into Grupo Torras.

Asked if he foresaw difficulties in a company owned by the Kuwaiti state filing for receivership, Mr. Nouri said, "We took the decision not to let the KIO be pulled out of Spain."

(AFP, Reuters, Bloomberg)

ECONOMIC SCENE

Why They Won't Call It The Great Bush Recovery

By Lawrence Malkin

NEW YORK — As the upbeat numbers roll in, one analyst after another concedes that the American economy has started to turn a corner just in time for Bill Clinton to take office next month. But doesn't George Bush deserve at least a parting bow as the architect of recovery?

If he does, he isn't getting one from the economic community. It mainly faults Mr. Bush for what he didn't do, even though few economists believe any president can make the huge American economy quickly change direction, especially when it is burdened with the debts of the 1980s.

If anyone is getting the credit for the recovery, it is the Federal Reserve Board. The central bank has assisted the healing process of time by bringing down interest rates steadily but cautiously. It was never a certainty its policies would work, and the Fed itself is far from claiming victory. "They escaped by the skin of the teeth," remarked Allen Sinai of Boston Co. Economic Advisers Inc., when the statistics finally started looking bullish.

The fed chairman, Alan Greenspan, has made it clear that his strategy was to lower rates so businesses and individuals could pay off their debts and banks could increase profits and write off bad loans. This would allow everyone to borrow, invest and buy again. The process took a long time — most of Mr. Bush's term in office.

"In 1989 the government, business and the household sector realized that we had to go home and clean up from one hell of a party," said David C. Munro of High Frequency Economics. "We had to pay down debt and slow down on the growth of money, especially for goods. Bush had no coherent policy for it, unless you count 'Read my lips, no new taxes' — which also paralyzed most policy for the next four years. Even when the economy started coming out of recession in 1991 and stalled, he didn't know where to turn."

Murray Weidenbaum, Ronald Reagan's first chief economist who quit over the mismatch in his policies, offered an inside view of Bush policymaking from a meeting with the president in the Oval Office on Aug. 12, just before the Republican convention.

Four other Republican economists also were there. Paul McCracken and Martin Feldstein, also former chairmen of the

Fed rate cuts, not the White House, worked off the debt woes.

See RECOVERY, Page 12

CURRENCY & INTEREST RATES

Cross Rates										Eurocurrency Deposits										
	\$	S	D.M.	F.F.	Yen	S.F.	S.P.	Yen	CS	Peso		Dollar	D-Mark	Swiss	French	British	French	Yen	ECU	
American	1.00	1.76	1.21	1.36	1.00	1.00	1.00	1.00	1.00	1.00	1 month	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	
British	0.72	1.28	0.88	0.96	0.72	0.72	0.72	0.72	0.72	0.72	3 months	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	
French	0.76	1.32	0.92	1.00	0.76	0.76	0.76	0.76	0.76	0.76	6 months	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	3 1/4-4 1/4	
German	0.76	1.32	0.92	1.00	0.76	0.76	0.76	0.76	0.76	0.76	1 year	4 1/4-5 1/4	4 1/4-5 1/4	4 1/4-5 1/4	4 1/4-5 1/4	4 1/4-5 1/4	4 1/4-5 1/4	4 1/4-5 1/4	4 1/4-5 1/4	
Japanese	0.007	0.012	0.008	0.009	0.007	0.007	0.007	0.007	0.007	0.007	Sources: Reuters, Lloyd's Bank									
Spanish	166.64	292.48	205.21	223.64	166.64	166.64	166.64	166.64	166.64	166.64	Notes applicable to interbank deposits of \$1 million minimum (or equivalent).									
Swiss	0.76	1.32	0.92	1.00	0.76	0.76	0.76	0.76	0.76	0.76	Key Money Rates									
United States	Close Prev.										Britain									
Discount rate	5.00										5.00									
Federal funds	4.00										4.00									
Prime rate	6.00										6.00									
3-month T-bill	3.25										3.25									
6-month T-bill	3.25										3.25									
9-month T-bill	3.25										3.25									
1-year T-bill	3.25										3.25									
3-year Treasury note	4.00										4.00									
5-year Treasury note	4.00										4.00									
10-year Treasury note	4.00										4.00									
30-year Treasury bond	4.00										4.00									
10-year Gilt	4.00										4.00									
3-month Gilt	4.00										4.00									
6-month Gilt	4.00										4.00									
9-month Gilt	4.00										4.00									
1-year Gilt	4.00										4.00									
3-year Gilt	4.00										4.00									
5-year Gilt	4.00										4.00									
10-year Gilt	4.00										4.00									
30-year Gilt	4.00										4.00									
10-year OAT	4.00										4.00									
3-month OAT	4.00										4.00									
6-month OAT	4.00										4.00									
9-month OAT	4.00										4.00									
1-year OAT	4.00										4.00									
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10-year OAT	4.00										4.00									
30-year OAT	4.00										4.00									
10-year CMT	4.00										4.00									
3-month CMT	4.00										4.00									
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MARKET DIARY

Gain in Jobs Gives A Boost to Stocks

NEW YORK — U.S. stocks rallied Friday after the government reported that more than 100,000 jobs were created last month. The Dow Jones industrial average advanced 12.15 points to 3,288.68. The Nasdaq composite gained 5.24 to 661.60 and the Standard & Poor's 500 rose 2.15 to 432.06, both record levels.

Advancing stocks outnumbered declining issues by more than 4 to 3 on the New York Stock Exchange. Trading was active, with about 229 million shares changing hands. "The stock market is in a rally mode where everything's considered bullish," said Jon Groveman, president of Ladenburg, Thalmann.

JOBS: Recovery Touches Labor

(Continued from page 1) would take a few months to determine whether the economy continues to create new jobs on its own, but the latest figures buy more time for the incoming administration to decide whether to commit itself to a dose of stimulus.

Mr. Katz pointed to 10.2 hours in the factory workweek, to 41.3 hours, and a historic high of 3.9 hours in factory overtime. "First we got employers getting more effort out of their workers, then more hours of work," he said.

Foreign Exchange "Now we see more temporary workers, and that should lead to permanent employment." Ms. Freedman was not sure of that. She focused on the creation of 64,000 new jobs in business services, a sizable proportion of which represent white-collar and technical workers taken on by employers only temporarily because they are not sure growth will continue.

Noting that companies are reorganizing themselves, that's what you see when you read that Sears is selling off subsidiaries or General Motors is closing its parts plants. These companies are reluctant to enter into a permanent employment relationship because of the heavy social costs that have been mounting over the years by government mandate.

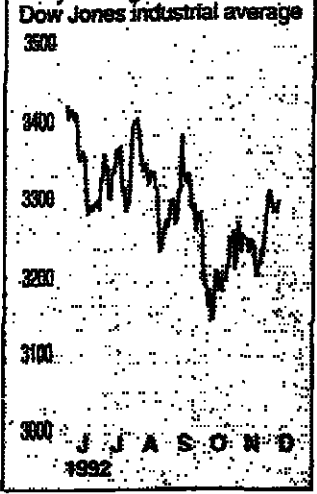
This escalation of social costs will sound familiar to veterans of Euro-steroids of a decade ago, and Ms. Freedman said the pendulum was swinging back toward government rather than employers taking responsibility for health care, training, pensions and even severance.

This type of structural reform is at the top of Mr. Clinton's agenda, and the more certain he can be of steady job growth, the more his political time and credit he can devote to reforms that will increase productivity.

Dollar Gains Strength The dollar rose on the news of notable U.S. job growth, but technical factors kept the increase modest, Bloomberg Business News reported. "The number was very good, but people were already long dollars against other currencies," said Yanaqi Hara, assistant vice president at the Industrial Bank of Japan.

The dollar rose to 1.5930 in New York from 1.5830 on Thursday and advanced to 124.95 yen from 124.67. Foreign Minister Andrei V. Kozirev of Russia boosted the dollar when he warned that Russian nationalists could touch off a civil war, readers said. That led some investors to seek a safe haven in dollars, they said.

The Dow



Daily closings of the Dow Jones industrial average

NYSE Most Actives

Table listing the most active stocks on the NYSE, including volume, high, low, and change. Top entries include IBM, Microsoft, and Intel.

AMEX Most Actives

Table listing the most active stocks on the AMEX, including volume, high, low, and change. Top entries include various technology and financial stocks.

NYSE Diary

Table listing various NYSE indices and their performance, including S&P 500, NYSE Composite, and NASDAQ.

NASDAQ Diary

Table listing various NASDAQ indices and their performance, including the NASDAQ Composite and various sector indices.

AMEX Diary

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Dow Jones Averages

Table showing the Dow Jones Industrial Average, Standard & Poor's 500, and NYSE Composite.

Standard & Poor's Indexes

Table showing various Standard & Poor's industry and sector indices.

NYSE Indexes

Table showing various NYSE industry and sector indices.

NASDAQ Indexes

Table showing various NASDAQ industry and sector indices.

AMEX Stock Index

Table showing the AMEX Composite Index and various sector indices.

Dow Jones Bond Averages

Table showing various Dow Jones bond averages, including 20 Bonds, 10 Utilities, and 10 Industrials.

Market Sales

Table showing market sales for various indices, including NYSE, AMEX, and NASDAQ.

N.Y.S.E. Odd-Lot Trading

Table showing odd-lot trading for various NYSE stocks.

S&P 100 Index Options

Table showing S&P 100 index options for various months and strikes.

NASDAQ Diary

Table listing various NASDAQ indices and their performance.

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EUROPEAN FUTURES

Table showing European futures for various commodities like Gold, Silver, and Copper.

Food

Table showing European futures for various food commodities like Cocoa, Coffee, and Sugar.

Metals

Table showing European futures for various metals like Aluminum, Zinc, and Lead.

Stock Indexes

Table showing European stock indexes for various countries like Germany, France, and the UK.

Spot Commodities

Table showing spot prices for various commodities like Wheat, Corn, and Soybeans.

Dividends

Table showing dividends for various European companies.

Financial

Table showing financial data for various European banks and institutions.

Grains

Table showing grain futures prices for various types of wheat and corn.

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Table showing metal futures prices for various types of copper, zinc, and lead.

Livestock

Table showing livestock futures prices for various types of cattle and hogs.

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UNUM Agrees to Acquire Colonial

PORTLAND, Maine (Reuters) — UNUM Corp., a specialty insurer, said Friday it had agreed to acquire Colonial Cos. in exchange for stock valued at about \$570 million. Analysis said the deal would create a powerhouse insurer that could outshine other health and disability companies.

PNC Financial to Buy Ohio Bancorp

PITTSBURGH (AP) — PNC Financial Corp. plans to buy Ohio Bancorp in a stock swap worth about \$251 million, the bank holding companies said Friday. Under the deal, which is expected to close in the third quarter of 1993, each of the 7.92 million outstanding shares of Ohio Bancorp will be exchanged for 1.12 shares of PNC common stock.

Merrill Is Named in Marriott Suit

BALTIMORE (Bloomberg) — Merrill Lynch & Co., which advised Marriott Corp. on its controversial reorganization plan, is a defendant in a class-action suit filed Friday against the hotel chain and its executives. The filing combines lawsuits filed in October and adds Merrill as a defendant. Last month, Merrill Lynch quit as adviser to Marriott on its restructuring plan amid protests from customers.

Kraft Realigns 2 Operating Groups

NORTHFIELD, Illinois (Reuters) — Kraft General Foods, a unit of Philip Morris Cos., said Friday it had realigned two of its operating groups, Oscar Mayer Foods and the KGF Frozen Products Group, which will now become part of Kraft USA and General Foods USA. Under the realignment, KGF's domestic retail food business will have two operating groups: Kraft USA, led by James Kilts and General Foods USA, led by Robert Morrison.

For the Record

Russia defaulted on \$2.9 million more in U.S.-guaranteed farm loans, bringing total payments now in arrears to \$7.7 million, an Agriculture Department spokesman said. The North American Free Trade Agreement will be signed by President George Bush and by his counterparts in Canada and Mexico on Dec. 17, the White House has announced.

WORLD STOCK MARKETS

Table showing world stock market indices for various countries including Amsterdam, Brussels, Frankfurt, London, Milan, Paris, Sao Paulo, Singapore, Stockholm, Zurich, and Toronto.

MEETING: Agreement in Bonn

(Continued from first finance page) French economy are self-evident," Mr. Kohl and Mr. Mitterrand did not disclose details of the proposed changes in the European Parliament, but sources cited a carefully defined deal in which the 18 new Eastern German representatives would be graduated from observers to voting members in exchange for an increase in the number of French, British and Italian representatives.

U.S. FUTURES

Table showing U.S. futures prices for various commodities like Grains, Metals, Lumber, and Livestock.

U.S. / AT THE CLOSE

Table showing U.S. stock market indices and futures prices for various commodities like Grains, Metals, Lumber, and Livestock.

RECOVERY: Federal Reserve, Not Bush, Gets Credit for the Upturn

(Continued from first finance page)

Council of Economic Advisers, urged the president to blame the Fed for not moving aggressively. Martin Anderson, a policy adviser under Mr. Reagan, urged him to blame Congress. John Taylor of Stanford suggested the Reaganite standby — cut taxes.

Mr. Weidenbaum said he told Mr. Bush, "Don't play the blame game. People are tired of hearing who shot John." They want to hear what you're going to do about it. He suggested a tax break for business investment — also endorsed by Mr. Feldstein and now almost certain to be proposed by the victorious Democrats. He also suggested tax credits for businesses offering new jobs. Mr. Bush was noncommittal. What happened?

"When I saw the convention on television," Mr. Weidenbaum recalled, "I knew the quick-fix people had won — blame someone else and offer a gimmick on taxes."

In fact, the revival was just beginning, although no one knew it yet. Statistics published after the election showed the economy grew at a 3.9 percent rate in the third quarter, the best of Mr. Bush's term.

Although the evidence is anecdotal, small business is finding some banks more willing to loan. "Businesses that the bank wouldn't look at a year ago are starting to get credit," Mr. Hale said.

Banks have floated \$14 billion in new stock and are better capitalized than at any time since 1966. In his first speech after the election, Mr. Greenspan said that the worst

of the credit crunch was past and that banks were in reasonable shape to help finance and thus sustain an economic expansion.

Mr. Hale also pointed out that the ratio of household interest payments to personal disposable income had dropped to 16 percent from its peak of 18.5 percent three years ago. It is not surprising, therefore, that early signs of revival came in retail sales, which now are outpacing the disastrous Christmas seasons of the past two years.

"Remember," said David Rolley of DRI/McGraw Hill, "ninety-two percent of Americans still have jobs. If they feel that the bottom of the cycle of layoffs has been reached, and their jobs are safe, people who actually have a job will start to feel different about spend-

ing, and that can start the cycle going again."

That cycle has not fully kicked in yet, however, and there are still quite a few economists who are not certain it will. That's because some of the recovery reflects pent-up demand, retail consultant Kurt Bernard said, and that demand is unlikely to continue without rising income from new employment.

"All the engines are not firing," said Lacy Hunt of HSBC Holdings.

If the expansion remains uneven well after the Christmas season, the main promise of the Clinton campaign — jobs — will retreat even farther, and the Clinton expansion will quickly become the Clinton stagnation. George Bush, of course, will be history.

NASDAQ

Friday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12-Month High	Low	Stock	Div	Yld	PE	1992	High	Low	Label	Chg
120	110	AA					120	110		
110	100	AB					110	100		
100	90	AC					100	90		
90	80	AD					90	80		
80	70	AE					80	70		
70	60	AF					70	60		
60	50	AG					60	50		
50	40	AH					50	40		
40	30	AI					40	30		
30	20	AJ					30	20		
20	10	AK					20	10		
10	5	AL					10	5		
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U.S. Presses Taiwan on Copyrights

TAIPEI — Taiwan and U.S. officials began wide-ranging talks here Friday on intellectual-property rights, with Washington warning that failure to improve protection would lead to retaliatory trade measures, officials said.

No Capital Flight Seen In Hong Kong Despite Big Decline in Stocks

HONG KONG — The sharp slide on the Hong Kong stock market, which lopped some 300 billion Hong Kong dollars (nearly \$39 billion) off share values in just four days this week, has created mostly paper losses so far, with no signs of a huge flight of capital, analysts said Friday.

Tokyo's Trade Surplus Grows October Surge Likely to Raise Partners' Ire

TOKYO — Amid ramblings from abroad about its advantages in trade, the Japanese government said Friday that its current-account surplus soared 59.7 percent year-on-year in October, to \$11.09 billion.

Matsushita's U.S. Subsidiary Expects Growth

NEW YORK — Matsushita Electric Corp. of America's revenue will grow by 6 percent, to about \$6 billion, in the financial year that ends March 31, the unit's chairman said Friday.

Japanese Bullish on Foreign Bonds

TOKYO — Japanese net purchases of foreign securities climbed to a 12-month high of \$5.8 billion in October as bond buyers moved to the highest level since Friday, the Finance Ministry said Friday.

Investor's Asia table with columns for Hong Kong, Singapore, and Tokyo. Includes line graphs for Hang Seng, Straits Times, and Nikkei 225. Table lists exchange rates and percentage changes for various indices.

Very briefly:

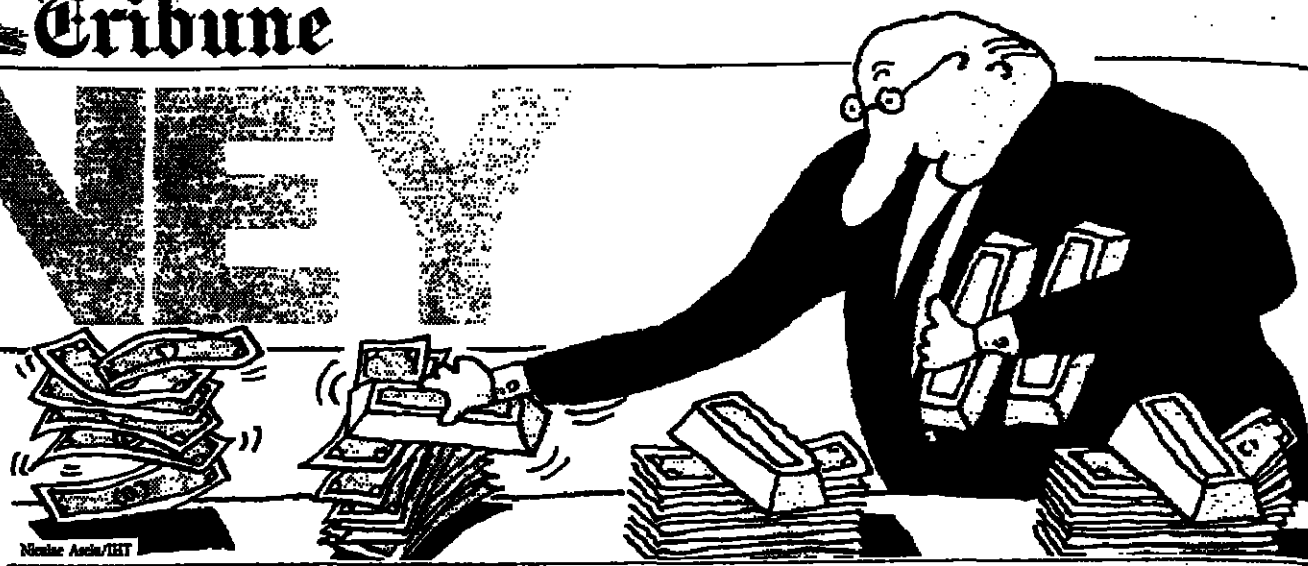
- BP Australia Ltd. offered its 49 percent interest in the Olympic Dam mine to its partner Western Mining Ltd. for \$455 million. The offer was triggered by the British Petroleum PLC unit's previously announced deal to sell the stake to Minero SA, and Western Mining's plans are unclear.

Large table titled 'INTERNATIONAL FUNDS' with columns for fund names, currencies, and dates. Includes sub-sections for 'Other Funds' and 'For investment information'.

For investment information read THE MONEY REPORT every Saturday in the IHT

MONEY

Saturday-Sunday,
December 5-6, 1992
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FIRST COLUMN Hard Times Ahead for Hong Kong?

IT'S tough, being a capitalist. For confirmation of that assertion, don't ask beleaguered real estate speculators in Manhattan, nor distraught fund managers in Tokyo. Ask a Communist, if you can still find one.

Part of the problems that have occurred as Communism recedes and the capitalist system advances is that people don't know what it is to be a capitalist. The German banks, for example, were very quick off the mark in setting up seminars in Eastern Germany for managers of collective factories and would-be entrepreneurs even before formal reunification. The objective was to help the easterners thrive in a western-style economy. Senior management at Deutsche Bank, among others, indicated at the time its acute awareness of the impending difficulties. Unfortunately, acute awareness of the difficulties has not alleviated the acuity of the problems.

It is in the light of capitalism's being a difficult credo to follow that this week's apparently cataclysmic news from Hong Kong should be judged. Down more than 14 percent in local currency terms in four days' trade thanks to the Chinese government's hostile reaction to democratic posturing from Hong Kong's governor, Chris Patten, some commentators say we are seeing a diplomatic version of the Tiananmen Square massacre.

THIS argument has some validity. When the tanks rolled in Beijing, the Hong Kong market suffered badly and bounced back. It would be very surprising if Hong Kong shares did not show considerable resilience before 1997. Much of the rest of the world may be in recession, but Hong Kong is a boom city, while China is recording staggering economic growth.

But what happens when Hong Kong is under Chinese rule? Part of the underlying confidence of the markets comes from the fact that they are reacting to the acts of a foreign government. What happens when the markets see their domestic government taking drastic, Tiananmen Square-style action? And the odds are that when in power the Chinese will, inadvertently or otherwise, make the markets nervous. After all, it's tough, being a capitalist. M.L.B.

Trying to Get a Hedge On Currency Volatility

By Rupert Bruce

THE gyrations seen on the world's currency markets this week have left investment opinion sharply divided. The latest currency to be the target of speculative selling by foreign exchange traders is the French franc, which weakened to 3.41 to the Deutsche mark before recovering toward the end of the week. Where will it go next?

The French finance minister, Michel Sapin, was quick to declare that the speculation had ended, but many traders were less than convinced by this pronouncement. Short of a cut in German interest rates, they argued, the late upward trend in the franc's fortunes was merely a temporary respite before the next wave of selling.

Whatever the economic virtues—or vices—of the situation, the investment outcome is clear. More than one fortune has been made in the turbulent foreign exchange markets of the last three months. In retrospect, it looks like easy money.

Easy, that is, if you have the expertise, the confidence and the means to play the market. But what if you fail to qualify on some of these counts?

One solution is to invest in a managed currency fund. The professional managers of these funds invest in a range of currencies with the aim of benefiting from foreign exchange rate movements.

Whether this is a good or bad time to buy one of the traditional managed currency funds depends on whether the investor is dollar-based or based in a European currency. Some forecasters expect the dollar to appreciate for some time, while European currencies are expected to decline.

On that view, this may be a bad time for dollar-based investors to use these vehicles. If, after all, you already have your money in a currency that is expected to perform strongly over the short-to-medium term, why diversify? Conversely, European investors who subscribe to the stronger dollar theory may find this a propitious time to invest.

Philip Saunders, investment director of currency and fixed income at Guinness Flight Global Asset Management, which has a traditional managed currency fund, said: "There is a fairly good chance that we have seen the beginning of a trend in recovery in the dollar that may last two years or so."

"The dollar has been in a bear market for seven years, although there have been rallies

against that trend, but they have been reversed."

The dollar bottomed last Sept. 2, when it was worth just 1.39 DM. That compares with its 1985 high of 3.47 DM. This week the dollar has traded above 1.57 DM.

When explaining the recovery of the dollar and the fall from grace of the European currencies, investment managers cite, among other things, likely interest-rate movements, a recovery in the U.S. economy, economic malaise in Europe and the inferior purchasing power of the dollar compared with European currencies.

But although it may make little sense for the dollar-based investor to buy a traditional managed currency fund just now, dollar strength is no reason to avoid the new generation of currency hedge funds. Unlike traditional funds, which invest mainly in cash deposits or short-term fixed-interest securities, the hedge funds often use currency options and forward contracts to exaggerate the gain from foreign exchange movements.

Lord Cobbold, managing director of London-based Gaicorp Currency Managers, which runs the Gaia Currency Hedge II fund, said: "With our fund it does not really make any difference what the base currency is. The base currency is dollars, in fact, but we can be long of dollars in the fund. We can be buying heavily into forward dollars—as is indeed we are at the moment."

But the high leverage of these funds also makes them extremely volatile. Over the year to the beginning of November, Gaia Currency Hedge II was up 22 percent and among the top performers in the offshore managed currency fund sector, according to statistics from Microcap Ltd. But then the markets turned, and in the last week of November the fund fell by 18 percent, according to Lord Cobbold.

The positions in Gaicorp's funds are determined by a computer model devised by J.T. Ross Jackson, the firm's chairman and founder. This chooses currencies by analyzing trends in the markets and interest-rate differentials between currencies.

"One of the problems of the model is that because it takes into account interest-rate differentials it does tend to favor high-interest-rate currencies," Lord Cobbold said. "Obviously the risk in a high-interest-rate currency is that one day it will devalue, especially within the exchange-rate mechanism."

Although Gaicorp recognized devaluation pressures in the ERM during September and took the unusual step of reducing Gaia

Investing Through Turbulent Times

Best performing managed currency funds. Value of \$100, income reinvested, excluding charges.

Over one year to Nov. 30, 1992.		Over three years to Nov. 30, 1992.		Over five years to Nov. 30, 1992.	
FUND	PERFORMANCE	FUND	PERFORMANCE	FUND	PERFORMANCE
Kemco Trust Enigma Currency	141.89	Tyndall Managed Currency Sto.	152.12	Baring CFL Managed	172.07
BB Capital Cash	112.67	Hambros European Managed	148.39	Tyndall Managed Currency Stg	182.25
AIB Grolund US Dollar Mgd Curr.	112.14	PrivaLux Stew (m)	145.32	AIB Grolund Sterling Mgd Curr.	158.86
BB Forest Ltd.	111.17	Baring CFL Manager	145.18	Pacific US Forest	155.86
PrivaLux Stew (m)	110.14	Allied Dunbar Managed Currency	141.38	Prudential CF Growth D	153.20
Chicor SA Managed Currency	109.65	Broadgate 2 MonKl NonUSD+G	140.42	Guinness FI GFr Mngd Currency	152.31
Meridian Multi-Currency	109.16	Prudential CF Income A	140.34	Prudential CF Income B	151.87
Bermuda Int'l Currency Manager	109.14	Prudential CF Growth D	140.25	Prudential CF Income A	149.91
Hambros CF European Managed	109.00	AIB Grolund US Dollar Mgd Curr.	139.85	Lazard CRF Managed	148.94
Broadgate 2 MonKl NonUSD+G	108.95	AIB Grolund Sterling Mgd Curr.	139.92	Hambros CF European Managed	145.85
Sector Average	102.02	Sector Average	125.73	Sector Average	133.47

Source: Microcap

Currency Hedge II's leverage, it was caught out in the last week of November by the devaluation of the Swedish krona and by the effect that had on other currencies.

Another weakness of the Gaicorp funds, and many of the other new generation of funds that rely extensively on trend-following computer models, is that when currency markets are choppy they perform badly. This led to a disappointing performance for many from the start of the Gulf War in late 1990 through the end of March 1992.

Some of the currency hedge funds recognize that all styles of currency management

have strengths and weaknesses, and so split their portfolios between a number of commodity trading advisers. This tends to smooth out the funds' performance, and also leaves the funds' administrators free to change CTAs when they think fit.

This strategy is common in the United States, but one of the first in Britain to adopt the policy of using several CTAs is FX Limited Partnerships. James Green, managing director of the Resource Partnership, which is launching the investment vehicle, claims that the combined performance of the funds managed by his CTAs over the three

years to July 1992 has been considerably better than the London Stock Exchange's FT-SE 100 share index—and also considerably less volatile.

When faced with claims like this, Gareth Evans, the director of Rothschild Asset Management, a company that has a range of traditional offshore managed currency funds, says that people only ever hear about managers who are doing well. These managers have an alarming tendency to do well for a while and then lose their touch, he says. And you do not hear from those who haven't done well, often because they've gone out of business, he claims.

Time for Shipping Stocks to Come About?

By Aline Sullivan

FOR over five years shipping stocks have been beleaguered in the doldrums. But it seems that at last the wind may be rising, according to some shipping analysts.

The Baltic Freight Index, which measures freight futures for dry cargo voyages and charters around the world, has climbed steadily recently and is up about 3 percent in the last month. Other factors that suggest a rise in shipping company earnings are increasing passenger demand and a stronger dollar, ship brokers and analysts said.

Investors are understandably cautious, however. Shipping stocks were the darlings of the 1970s and again in the mid-1980s. On each occasion, the industry raised funds at the expense of individual and institutional investors who were unfamiliar with the shipping cycle and vulnerable to poorly structured equity deals.

"Shipping has always been speculative and this time is no exception," said Ole Storer, a transport analyst at County NatWest Securities in London. "It can be very attractive now to invest in companies which are highly leveraged and have suffered a lot in the recession. But you have to get your timing right."

The shipping market can be a mine-field for the unwary because ships take so long to build. The shippers' order books are full when cargo rates are high. But delivery can take years, and future demand is hard to predict. The Gulf War caused a sharp contraction in demand that was not expected when shippers were booming in the mid-1980s.

Peter Stokes, a shipping consultant and former stockbroker, recently set up a private investment fund in Guernsey in the Channel Islands to take advantage of what he sees as an imminent rise in the value of shipping and shipping-related securities.

The fund, Castalia Offshore Partners Ltd., expects to have \$10 million to \$20 million under management by the mid-1993. Clients need to invest at least £1 million (\$1.5 million) and redemption is allowed only once a year. According to Mr. Stokes, the fund allows investors to take both short and long positions and to invest in shipping-related indices. This will enable clients to profit "throughout the shipping cycle," he said.

"It is an interesting time to invest for both structural and market reasons," Mr. Stokes said. "Shipping stocks have come down to attractive levels, particularly in Stockholm and Oslo. Companies will need more funding soon and there should be some good investments available."

Mr. Stokes wants to avoid what he sees as the mistakes made by several other shipping funds, which have aimed to acquire strategic stakes in companies rather than spread their investments.

Norwegian investor Torstein Hagen's Marine Investment fund last year gained control of about 25 percent of Dutch transport giant Nedlloyd Groep NV. Mr. Hagen has since won a seat on Nedlloyd's board despite fierce opposition from management. But shares in Nedlloyd remain depressed and the company said last month that it will make a loss this year.

Another fund, the International Shipping Investment Company in the Isle of Man, was set up in 1989 to invest in shipping securities on behalf of Scandinavian blue chip compa-

County NatWest's Mr. Storer is advising clients to buy shares in Norway's Bergesen A/S to gain exposure to an upturn in the tanker market. In the container and liner sector, he recommends Nedlloyd and two Norwegian companies—Leif Hoegh & Co. and Norwegian American Lines.

In Britain, where there are virtually no pure shipping stocks, shares in Peninsular & Oriental Steam Navigation Co. and Tiphook PLC have been volatile as they reflect swings in economic optimism. Trafalgar House PLC, the conglomerate that owns the Curand cruise line, said earlier this week that shipping conditions remain difficult and that it plans to restructure its fleet to focus on the luxury market.

"The cruise market is going to have a bad time next year because there is excess capacity and because discounting has become entrenched," Mr. Stokes said. "The one outstanding company, Carnival Cruise, is overpriced," he said of the U.S. stock.

In Japan, sluggish international trade and the relatively high value of the yen have depressed shipping company earnings. Nippon Yusen K.K., the world's largest shipping company, and Mitsui O.S.K. Lines Ltd. and Kawasaki Kisen Kaisha, or K Line, all recorded a drop in net profit for six months to the end of September.

Trade between the Southeast Asian economies has helped them fare better than European and American counterparts, however. Capacity pressures in the bulk and container shipping markets worldwide could be eased if the current round of global trade talks is concluded successfully, said Peter Bergius, transport analyst at Kleinwort Benson Securities.

Shipping companies historically have not relied heavily upon the equity markets for finance, preferring to tap banks for funding. But recession in Europe has forced banks to review their lending criteria and many shipping companies are finding their financing needs are no longer being met.

Analysts therefore expect a flood of share offerings as the shipping companies seek funds to build new capacity. Mr. Stokes warned that investors should not be tempted by a common ploy of shipping companies—the creation of shipping affiliate companies in which investors are enticed to put their money. Participation in such companies gives investors no say in the management of the parent company, he said.

Trade between Southeast Asian economies has helped them fare better.

The fund currently has about \$25 million in capital and owns 25 percent of Bermuda-based ship finance company Oceanic Finance Corp. Managing Director Cato Brahdde said he expects all sectors of the shipping industry to show substantial improvement next year.

Shares in Norwegian shipping companies have a long way to climb to reach the levels of even a year ago. The Norwegian industry received a double blow last year when the equity market was hit by recession and the government canceled tax breaks for limited partnerships acting as single-purpose investment vehicles, a move that bankrupted many of the country's smaller shipping groups.

"Shipping in Norway is a good investment now for the long term because the companies that are left are very strong," said Harold Morsus Hanssen, head of research at stockbrokers Fearnley Finas in Oslo. "But in the short term, we are approaching the spring when there is always a seasonal weakness."

NEW from the International Herald Tribune

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BRIEF CASE

Providence Capitol Offers A High-Risk Futures Fund

Providence Capitol International has launched a new fund that will invest in financial and commodity futures and forward contracts. The Managed Futures Fund will spread its money across a variety of commodity trading advisers. Each adviser will be employed "for a specialist understanding of particular commodities or market conditions after a thorough examination of its track record."

Providence Capitol International grades its funds according to risk. The new vehicle has a ranking of five, which puts it in the highest risk category.

The fund is domiciled in the Channel Islands, and qualifies for the attendant tax privileges.

Minimum investment is \$50,000, or investors may contribute \$500 a month to a regular savings plan. Equivalent investments in major foreign currencies are accepted.

There is a 7 percent spread between bid and offer prices, and a management fee of 1.25 percent a year.

Malaysian Bank Launches Fund at New Offshore Base

Public Bank (L) Ltd., a subsidiary of Malaysia's largest private bank, Public Bank Bhd., is launching an offshore managed currency deposit fund in association with currency fund manager Gaicorp.

Aimed at long-term investors throughout the Pacific Basin, the fund initially will commit 60 percent to currency forward contracts, with 30 percent in options and 10 percent in cash.

There is no initial charge, although there is an annual management fee of 1 percent, with a performance fee of 10 percent of profits in excess of 15 percent a year.

The fund is domiciled in the relatively untested financial center of Labuan, which the Malaysian government is promoting as the new offshore financial center for Asia.

Credit Suisse Pares Fees On Its Leading Income Fund

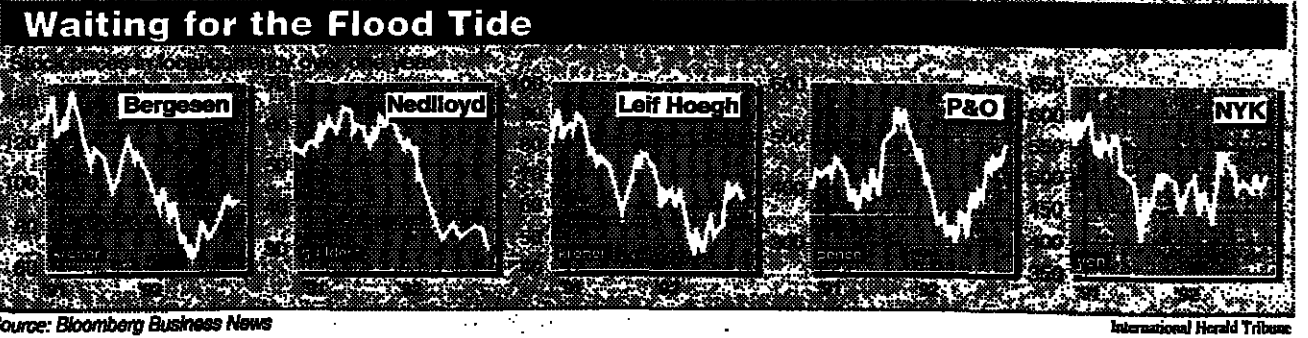
Credit Suisse Asset Management is seeking to attract new business for its star mutual fund, the Buckmaster Income Fund. Investors subscribing at least £2,500 (\$3,750) to the vehicle before Jan. 4 will receive a one-point discount off the standard initial charge of 5.25 percent.

The fund has the best track record of all U.K. income mutual funds over the five years to the beginning of November, according to fund monitors Microcap.

Fund manager Tim Gregory attributes the performance to "active trading, never being afraid to cut positions when it has become apparent that companies are doing badly."

"A substantial proportion of the fund has been invested in convertibles, which has not only benefited capital and yield performance directly but has also allowed us to invest in relatively lower yielding stocks."

For more information, write: Credit Suisse Asset Management, Beaufort House, 15 St. Botolph Street, London EC3A 7JJ; or call London (44 71) 247 7474.



THE MONEY REPORT

Time Horizon Is Key in Paying Fund Fees

By Conrad de Aenlle

AMERICAN broker-dealers, forced to live in a more competitive marketplace for investment funds, are turning increasingly to a tried-and-true sales device to make their funds more attractive — the installment plan.

Shareholders buying into broker-sold funds now are often given a choice: Either they pay a one-time sales charge, or front-end load, and so conform to what used to be standard industry practice, or they can pay in annual bites, sometimes with an additional charge tacked on when the shares are sold back.

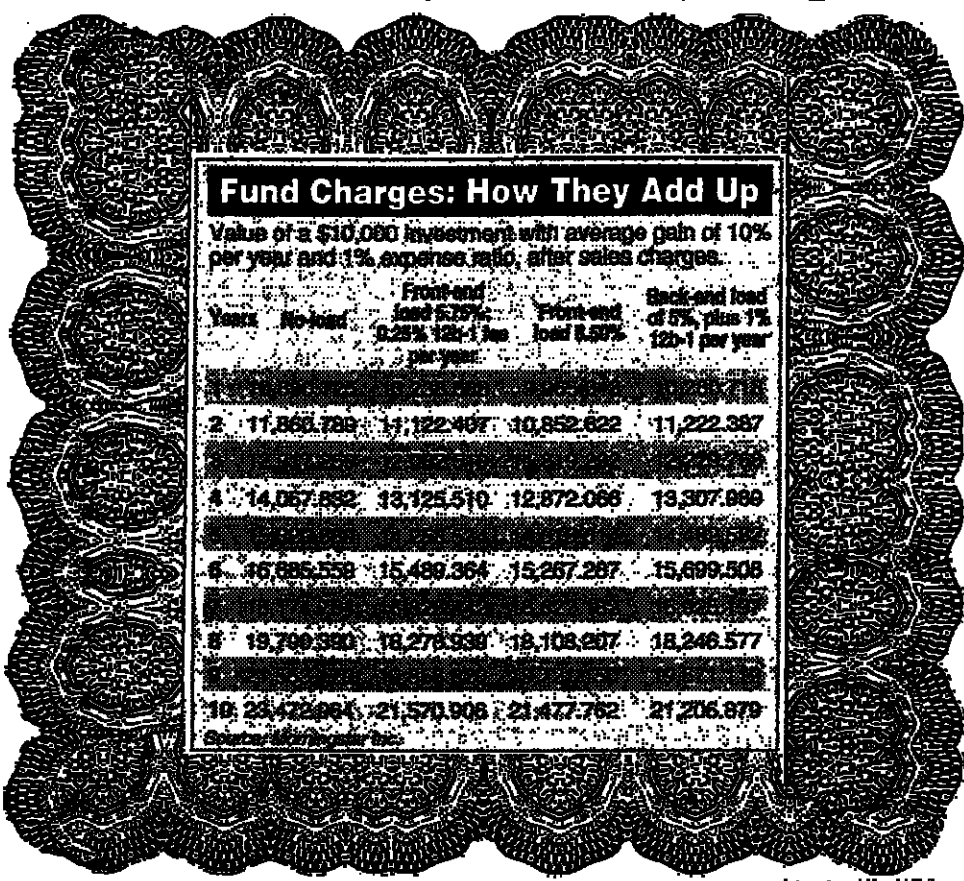
Some companies offer two funds that are identical in every respect except the sales charge. Usually, the same fund is sold with "A" and "B" shares. That's what Merrill Lynch does with its Short-Term Global Income Fund. Launched two and a half years ago, the fund carries a 3 percent front-end load for the A shares.

The B shares have no load, but they come with a 12b-1 fee of 0.75 percent, half a percentage point higher than the one carried by the other shares. (12b-1 fees are charges for marketing that funds are able to assess beyond their other operating expenses.)

The B shares also have a redemption charge that declines from 3 percent after the first year to 2 percent after the second and 1 percent after the third year. After that there is no redemption charge.

Merrill offers 35 other funds with A and B shares. Paine Webber is also a big practitioner. And Shearson Lehman Brothers just announced the launch of a growth-and-income fund with two share classes. Massachusetts Financial Services is one fund family that continues to sell closed funds with different charging structures, but a spokesman says a request has been filed with regulators to begin offering A and B shares.

"It's like choosing your flavor of ice cream," said Betty Hart, spokeswoman for the Investment Company Institute. "Under pressure of competition, people are offering a variety of pricing methods for funds sold through brokers.



Some benefit investors who stay in the funds longer."

That's the case with Merrill Lynch Short-Term Global Income. Shareholders who stick with the B shares for three years and a day will pay an extra 1.5 percent of assets in 12b-1 fees but they will save the 3 percent sales load. They would have to hold onto their shares for six years before it becomes advantageous to have paid the load. That may explain the overwhelming preference among shareholders for the B shares: They have total assets of \$3.46 billion, the A shares a mere \$304 million.

"We generally see a mix of somewhere around 85 percent Class B shares and 15 percent Class A," said Greg Duret, marketing manager for Merrill Lynch Funds. "I think people find it's more cost-effective when there's no sales charge up front; every dollar goes

to work immediately. There are additional 12b-1 fees, but the investor accepts that as part of the ongoing expenses of the fund."

SOME industry observers, however, believe investors should not be so accepting and should take a second look before buying Class B shares.

"It's a disguise," fund analyst Ken Weber said of the dual charging structure. "Instead of having it in one fell swoop, they put it in as a 12b-1 charge. If you're going to pay a load, clearly you want to swallow the bad medicine sooner rather than later."

That seems to be true over the long run, according to a study by the fund rating service Morningstar, but the run has to be very long. Morningstar compared a number of mythical funds, each with an

annual total return of 10 percent. One fund had a 5.75 percent front-end load and a 12b-1 charge of 0.25 percent a year, another a 1 percent 12b-1 fee and a 5 percent declining redemption charge.

The fund with the deferred redemption charge gave investors a better shake until the holding period reached eight years; at that point, the fund with the front-end load proved itself the better deal. In fact, if a fund is held for nine years or more, it is even better to pay the maximum 8.5 percent sales load up front than the 1 percent 12b-1 fee and 5 percent diminishing back-end load, Morningstar found.

"In the long term it's true that funds with front-end loads are cheaper," Mr. Duret of Merrill Lynch conceded. "The investor has to decide how long he wants to hold the fund and whether he wants all

his money to go to work from the start."

Mr. Weber noted that it isn't so easy to figure out which of two classes of fund shares will cost less over different holding periods. Anytime there's a deferred charge, the actual amount is calculated based on the shareholders' assets, which, if all goes right, are more than they were when he bought in.

If a fund has doubled over the years, a 3 percent back-end load will cost the holder more dollars than a 5 percent front-end charge would have. Of course, with inflation, the dollars the shareholder pays may have become less valuable. It's complicated.

Mr. Weber also objects to the way multi-class funds are sold. "When you have people who are making a living strictly from selling a product, they have to be compensated, and that's fine," he said. "The only problem I have with that is when the client is not made aware of it. I often have people tell me they're in a no-load fund, and it turns out they're in a load fund with a high 12b-1."

Ms. Hart of the ICI responded: "We try to make everything clear in the prospectus. You really can comparison-shop and see everything. We have an advantage as an industry because the consumer has the advantage of clearly being able to see and compare."

One choice fund buyers have is to go to a direct marketer that sells funds with no sales load. When a no-load fund is compared with the other in the Morningstar study, it comes out ahead from the first day and stays that way. After 10 years the fund with the 12b-1 fee and deferred sales charge turned \$10,000 into \$21,207. The no-load fund had \$23,473. The total return over the decade was 20 percent higher.

Given a choice between paying now or paying later, Stephen Leeb, editor of the newsletter Personal Finance, said, "If you intend to hold the fund long term, it would opt for the up-front charge."

But he remarked: "I think they both stink. Given my leaning to long-term investing, I'd rather pay the load and get it over with, but I think they're both terrible. There are a lot of good funds out there without a load."



The 1840 British "Penny Black." Top specimens have appreciated 900 percent over 10 years.

Investing in Knowledge Brings Long-Term Reward in Stamps

By Philip Crawford

EVER hear of the 1840 British Penny Black? How about the 1897 Chinese Small One-Dollar Red Reserve? Or maybe the 1847 Mauritius Penny Orange?

The terms may sound like off-color brands of cheap 19th century wine, but all in fact refer to stamps, rare and valuable ones that are the philatelic equivalent of the Mona Lisa or the Venus de Milo. Moreover, the fact that top specimens of all three have appreciated in value over the past 10 years at rates of about 900 percent, 800 percent and 200 percent, respectively — to values of \$46,000, \$200,000, and \$230,000, according to several auctioneers — illustrates why a growing number of investors are entering the stamp market.

Record prices at stamp auctions are providing a showcase that draws investors in, experts say. Two shows this fall at Sotheby's in London, one specializing in pre-1861 Italian states stamps and the other a general sale, realized a total of \$730,000 (\$1.1 million). And the three-year auction of a private collection by Harmer of New York, a Manhattan philatelic concern, recently concluded with a total purse of \$10 million.

"Do numbers like these make it time to sell the stocks and bonds and put everything into stamps? Not quite, experts say. Most concur, however, that rare stamps are a good long-term investment, provided one buys with knowledge and patience.

"Stamp collectors have traditionally been hobbyists motivated primarily by the study of stamps themselves," said Anthony Banwell, a stamp expert at Sotheby's in London. "But people interested mainly in investment value are increasingly the case, and many are buying with an eye toward resale within two to five years. They're getting into it in a more measured way than they did 15 years ago, too, which is good for the stability of the market."

Professional dealers say the philatelic boom hit its peak in the mid- to late 1970s. Then, inflation rates were high and many saw tangible goods as an effective hedge. Also, much like the Impressionist painting boom of the late 1980s, a few highly publicized blockbuster auctions hyped up interest, particularly among those looking to make a quick killing. At the market's apex, word on the street was that a 20 percent return within six or seven weeks was not uncommon.

"In those days, you had doctors and dentists putting stamps into their investment portfolios just like stocks and bonds," said Scott Trepel, president of Robert Siegel Inc., a New York philatelist.

The severely inflated price bubble burst in 1979, and many investors were hit hard. The market languished through the early '80s, but then began what many dealers now describe as a slow upward climb of between 5 and 10 percent annually.

Joseph Savarese, executive officer of the American Stamp Dealers Association in Glen Cove, New York, says prices today are rising at a rate of 10 percent to 12 percent a year, fed by the demand of an estimated 23 million stamp collectors in the United States alone. The ASDA has 800 U.S. members and 400 international ones, about 90 percent of whom make a living buying and selling postage stamps.

"So where does the aspiring stamp collector/investor start out? Most analysts say the best way is to contact a local dealer and go in for a chat about what kind of stamps one finds interesting, either from an academic or an investment point of view. Many dealers will likely recommend some reading on whatever genre of

stamps are discussed before making any suggestions about purchases. But a collection of viable investment quality can be started for between \$10,000 and \$20,000, experts say.

Educating oneself about stamps may indeed be the key to earning respect as well as money in the world of philately. Some dealers say that although the pure investment angle may be accepted in the art market, those buying stamps with only dollar signs in their eyes are often disdainful by philatelic scholars as crass mercenaries.

"I've seen some people who know nothing about the field but more thought into buying a refrigerator than into spending \$50,000 on stamps," said Keith Harmer, president of Harmer of New York. "And such people usually lose. But those types are the exception. In general, one of the reasons for the stamp market's stability is that people acquire knowledge, know what they want, and are less swayed by what's hot, what's not, and who the players are than those in the painting market."

The recently concluded Harmer auction featured several 4-stamp blocks of perhaps the most famous U.S. stamp, the 1918 Inverted Biplane, which were affixed to the envelopes on which they were originally mailed. The blocks sold for between \$600,000 and \$1 million each.

Joining the uneducated in the philatelic world's doghouse is the wealthy speculator who buys the top of the market and then squanders the stamps away in a vault where no one can enjoy them until he decides to sell. Such investors, dealers say, hurt the market by taking its finest examples out of circulation solely for their own profit.

But in the final analysis, most dealers acknowledge that even the purest, most passionate academic collector can't help but have the subject of resale value locked away somewhere in a forbidden area of his subconscious. Those who take the time to learn, many add, are usually rewarded financially.

"We say that if you study the market, acquire some knowledge and collect for pleasure, the chances are that you'll make a good deal of money if and when you decide to sell," said Eric Etkin of Argyle & Etkin, the London philatelist.

The factors that influence value in the stamp market are pretty much what one would expect: Rarity, age, place of issue and condition being the foremost. Only 100 specimens of the U.S. Inverted Biplane stamp were ever issued because only one sheet was run through the printer before the error was discovered. Philatelists know of 93 authenticated examples. Only 32 confirmed specimens of the 1897 Chinese Small One-Dollar Red Reserve are known to exist, one expert said, and their value is considerably higher.

But as with any collectible of numerous authentic specimens, counterfeit or falsely represented stamps do appear. Buyers are thus well advised to have a stamp's authenticity verified by an independent appraiser before actually making a purchase, or should at least obtain a document from the seller stating that the sale is contingent upon certification. Although acknowledging that fraud exists, dealers say the problem is minimal.

"One thing stamp collecting has going for it that some other areas don't is a good fix on supply," Mr. Trepel said. "No unknown quantities exist, so there's little fraud in that sense. Also, stamp dealing is a closely knit, self-policing industry. If there's a bad apple out there, word gets around pretty quick."

Leveraging's Double-Whammy for Bond Investors

By Katherine Burton

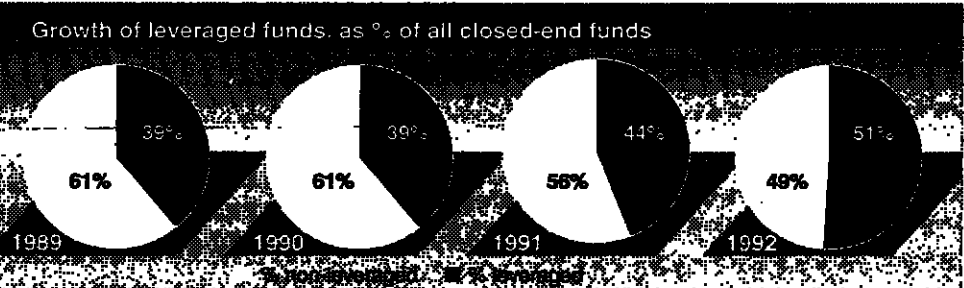
INVESTORS with money committed to closed-end bond funds have generally done well in recent months, but many are playing the kind of speculative game often involving borrowing to enhance returns, that is more usually associated with the financial wizardry of the 1980s.

Closed-end fund investors should be aware that, like some money men who lost their shirts gambling with borrowed funds, they too risk getting burned. The biggest threat for closed-end funds, analysts say, comes when interest rates inevitably rise again in the United States.

Leveraged funds have been widely outperforming funds that don't borrow on their assets, which explains why more than half of all closed-end funds are now leveraged, according to Thomas Herzfeld, a Miami-based specialist in closed-end funds. With interest rates at historically low levels, leveraging funds has been a way to attract investors hankering for higher yields.

Leveraging works in the following way: Closed-end funds are allowed to issue preferred shares. Given to the fund's steep yield curve, or the differential between short- and long-term rates, these funds can sell preferred shares for 7 days to 28 days paying an interest rate of about 3 percent and then use the money to invest in longer-term bonds paying 7 percent or higher. The fund then pockets the difference. By law, a fund can borrow up to 50 percent of its assets, although most funds typically leverage up to about 30 percent of their value.

If a fund leverages 50 percent of its assets, investors have \$1.50



Source: Thomas J. Herzfeld Advisors, Inc.

working for every dollar placed in the fund. If the bond market is on the rise, a leveraged fund will thus outperform its nonleveraged counterpart, and in turn pay higher dividends to shareholders.

In the first 10 months of 1992, for example, leveraged U.S. government bond funds produced a total return on net asset value of 10.8 percent, while nonleveraged funds had a total return of only 4.58 percent.

Bigger rewards usually carry greater risks, though. With closed-end funds, there are several ways that greater-than-average returns could become larger-than-expected losses.

The first way is via interest rates. If an interest rate rise leads, say, to a 10 percent decrease in bond prices, a nonleveraged fund originally worth \$100,000 would see its net asset value reduced by \$10,000. But if the fund had leveraged itself 50 percent so it had assets of \$150,000, then a 10 percent drop in the market would reduce net asset value by \$15,000.

Closed-end funds also are vulnerable to a narrowing of the yield curve. Such a narrowing has already occurred in recent months as signs of growth in the U.S. economy have pushed short-term rates up somewhat, while long-term rates have been little changed. Because closed-end funds try to profit by borrowing short-term and investing long-term, any narrowing of the yield curve threatens to reduce fund income.

The other big risk stems from the nature of closed-end bond funds, which are a fixed-income instrument dressed up like an equity. Unlike open-ended funds such as mutual funds, closed-end funds have a fixed number of shares that trade on a stock market. As a result, the value of each share is not directly linked to the net asset value of the fund, as it is with mutual funds. The price of the fund's shares depends on demand for the shares as well as the performance of the underlying bond portfolio.

So investors could take a double hit with leveraged closed-end funds

if the bond market moves against them. Not only do they stand to lose from falling bond prices and reduced income, those trends also could send the fund's stock price sliding if investors try to bail out.

Ron Santangelo, closed-end fund analyst for Prudential Securities in New York, said that although he expects another cut in short-term U.S. rates before the end of the year, which should push long-term rates down to 7.25 percent, he thinks long rates could climb back to 8 percent or higher by the second half of 1993.

"Investors should reduce their exposure to leverage, using any rally in interest rates to reposition their portfolios," he said.

Exactly how much investors could lose in income depends on how much of a cushion a fund manager has created to protect dividend payments, and how often the rates on the preferred stock are reset.

Because of these variables, some analysts are still bullish on closed-end leveraged funds.

Checking the Basics on Bond Funds

THE long decline in U.S. interest rates provoked a mini-stampede among U.S. investors out of deposit accounts and into bond funds. But how many investors have asked themselves the very basic, very important questions?

Before leaving the relative safety of a deposit account, investors should satisfy themselves that they know what a bond is, what a bond fund is, and what kind of risks are associated with the various types of bond funds.

A bond is a form of IOU. When you buy a bond, you lend money to the issuer of that bond who usually offers a periodic payment of interest in return for the loan. Big corporations, banks and governments

are among the most common issuers of bonds. Government bonds are generally thought to be the safest kind of bond, because governments very rarely go bankrupt.

Bond funds are pools of bonds administered by a manager who collects the interest payments and either reinvests them or pays them out to fund investors as dividends. There is a great variety of bond funds. The two main types of funds are open-ended and closed-ended funds. Investors with a stake in open-ended funds have something that reflects exactly the value of the securities held by the fund. The manager simply adds up the market price of the securities and apportions an appropriate amount to the investor. If new investors come

to the fund, the manager simply buys more securities; if existing holders sell, the manager sells.

Closed-ended funds, on the other hand, do not rely on the manager to provide liquidity. These funds own a portfolio of securities that is essentially fixed in size, and have a fixed number of shares that trade on a stock market. Buying and selling the shares is not difficult, but the market often prices the shares differently than the value of the securities held by the fund.

The Investment Company Institute, the U.S. mutual fund industry body, has composed a paper on the basic risks of bond fund investing. Interested parties should write to the ICI, 1600 M Street, NW, Washington, DC 20036.

COMPANY	End of financial year	Earnings est. for '92 (financial year)	Last month's est.	% change	Last month's closing price	Current price	% change	P/E (est.)	No. of analysts' used
ASKO DEUTSCHE	12/92	29.36	39.75	-26.2	480.0	518.0	7.5	17.80	28
HOESCH	12/92	13.28	15.99	-13.7	173.1	199.0	11.5	14.50	27
THYSSEN A G	09/92	12.49	14.55	-13.0	165.0	163.7	-0.8	13.1	35
WOLKSWAGEN AG	12/92	29.70	32.95	-9.6	267.0	287.5	7.7	9.7	35
BAFAG AG	12/92	14.64	15.73	-6.9	206.8	218.6	4.7	14.8	40
HOESCHST A G	12/92	16.25	17.41	-6.7	220.7	242.2	9.7	14.9	38
DAMLER BENZ	12/92	54.22	57.81	-6.2	524.0	537.7	2.6	9.9	35
METALLGESELLSFT	09/92	11.13	11.85	-6.1	300.0	325.5	8.5	29.3	31
VEBA	12/92	26.40	28.10	-6.1	350.0	342.5	-2.1	13.0	34
ALLIANZ	12/92	32.45	34.28	-5.3	1729.0	1867.0	14.9	61.2	32
PHILIPS KOM IND.	12/92	35.33	33.14	6.6	540.0	515.0	-4.6	14.6	6
DEPPA	12/92	34.30	32.38	5.9	603.0	663.0	10.0	19.3	5
SPRINGER	12/92	21.47	20.92	3.1	800.0	800.0	0.0	27.9	17
MAN AG	06/92	32.05	31.53	1.6	258.0	273.3	5.9	8.5	31
HOLZMANN, P.	12/92	30.01	29.71	1.0	890.0	905.0	2.8	30.2	30
S.E.L.	12/92	29.00	29.71	-1.0	355.0	372.0	4.8	12.8	7
HOCHTIEF	12/92	33.46	33.19	0.8	953.0	1024.0	7.5	30.6	30
BERLINER BANK	12/92	16.00	15.93	0.5	244.0	260.0	6.6	15.2	6
AVA	12/92	30.40	30.31	0.3	527.0	550.0	4.4	18.1	21
RWE AG	06/92	25.80	25.55	0.2	378.0	401.3	6.2	15.7	34

Source: IBES Inc.

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SPORTS BASKETBALL

Clippers Use Their Muscle to Spoil O'Neal's California Debut

The Associated Press
It was beef-on-beef when Shaquille O'Neal made his pro debut in California.

The Los Angeles Clippers countered the 7-foot-1 (2.15-meter), 300-pound (135-kilogram) O'Neal with a couple of 300-pounders of their own Thursday night, and while O'Neal managed 26 points, he had a season-low nine rebounds in the Clippers' 122-104 victory over Orlando.

The Clippers' coach, Larry Brown, said of O'Neal: "He played really well. He will be the best. He made great post moves and his conditioning is really good. I do not see how other people guard him. He jumps so high, so strong, I'm glad we only see him twice."

Brown tried O'Neal's former LSU teammate, 7-foot Stanley Roberts, and 6-9 John Williams on the Magic roster.

Roberts had 16 points and six rebounds and Williams two points and two rebounds against O'Neal, but it was forward Ken Norman who hurt the Magic. Norman scored 33 points, high for a Clippers player this season, on 15-for-23 shooting.

SuperSonics 125, Mavericks

108; Shawn Kemp scored 17 points and Seattle survived a fourth-quarter rally to beat visiting Dallas.

NBA HIGHLIGHTS

The SuperSonics led 99-68 after three quarters, but the Mavericks, losers of 11 of 12 games this season, closed to 115-104 with 2:13 left behind Tracy Moore.

Bullets 113, Bucks 95: At Landover, Maryland, Washington handed Milwaukee its first lopsided loss of the season, snapping the Bucks' four-game winning streak behind Harvey Grant's 24 points. The Bucks, whose 10-3 record matched Portland's as the best in the NBA, had three losses by a total of 15 points. But they surpassed that in their fourth defeat by com-

mitting 28 turnovers, shooting 40 percent and scoring only 37 points in the second half.

Cavaliers 100, Knicks 90: Mark Price scored 25 points before leaving with a bruised hip and Cleveland limited New York's Patrick Ewing to three points after halftime.

The victory was the sixth straight for the Cavaliers against the Knicks. New York has not won in

its 11 trips to Richfield Coliseum since 1987.

New York trailed by two points on Charles Smith's jumper with 9:28 to play before a 7-0 run, capped by a 3-pointer by Danny Ferry, gave Cleveland an 87-78 lead with eight minutes left. The Knicks got no closer than six after that.

Ewing had 18 points and 12 rebounds in the first half, but made

only 1 of 8 shots after halftime and finished with 21 points, 16 rebounds and six blocked shots.

Lakers 95, Rockets 89: Sam Perkins had 21 points and 13 rebounds, while guards Tony Smith and Sedale Threatt keyed offensive spurts in the second half that propelled Los Angeles to victory in Houston.

Smith scored 16 of his 18 points in the second half and Threatt 13 of his 20 after halftime for the Lakers.

Threatt hit nine straight points in a 19-5 third-quarter run that put the Lakers ahead 58-49.

Jazz 110, Timberwolves 91: Jeff Malone scored 19 points and reserve Jay Humphries had his best game of the season with 15 as Utah coasted over Minnesota.

Humphries, acquired from Milwaukee and counted on to give the Jazz a strong three-guard rotation this season, was averaging just 7.0 points for the Jazz.

But he came through against the Timberwolves as Utah won its second straight game at home. The Jazz — an NBA-best 37-4 at the Delta Center last season — are 3-4 in Salt Lake City after losing four of their first five home games.

Oklahoma Sputters Past Revved Up Oregon State

The Associated Press
Oklahoma sputtered in its season opener against Oregon State, shooting poorly and getting frustrated at both ends of the floor.

Then it finally happened — a 10-0 run sparked by the defense that gave the 15th-ranked Sooners an 11-point lead and got the home crowd rocking.

The joy didn't last long. Oregon State made big shots down the stretch while Oklahoma played poorly, and the Sooners had to hang on for a 78-75 victory Thursday night.

Oregon State made three 3-pointers in the final 1:25, but couldn't overcome 23 turnovers and foul trouble.

The Beavers were tied at halftime and only trailed 58-57 with nine minutes left.

Then Oklahoma finally got something going.

The Sooners, sparked by two steals by Angelo Hamilton, scored 10 straight points to take a 68-57 lead with 4½ minutes to play.

But Oklahoma couldn't maintain the momentum. A 3-pointer by Charles McKinney, his fourth, brought the Beavers within 71-65 with

COLLEGE BASKETBALL

1:25 left. Then Brent Barry picked off a bad pass and went in for a dunk to make it 71-67.

Two free throws by Bryant Vann gave Oklahoma a six-point lead, but a 3-pointer by Kareem Anderson made it 73-70 with 35 seconds left.

Oklahoma led 75-70 and had a 3-on-1 break after an Oregon State miss, but Hamilton tried a behind-the-back pass and Barry intercepted

and hit a 3-pointer with 12 seconds left to make it 75-73.

Four seconds later, Hamilton made one free throw and missed the second. Mustapha Hoff got fouled by Ken Conley on the miss and sank two free throws of his own with seven seconds to play, bringing the Beavers within 76-75.

Vann then made two foul shots with six seconds remaining and a desperation 3-pointer by Barry missed at the buzzer.

No. 20 Tulane 96, Nicholls St. 54: In New Orleans, Tulane's trapping, pressing defense forced 34 turnovers as the Green Wave (2-1) rolled to an easy victory over Nicholls State (1-1). Tulane led by as many as 50 points midway through the second half.

It was Tulane's first game without Kim Lewis, its leading scorer last season. Lewis broke his left leg in a loss at Indiana on Nov. 20.

IAAF Says It Considers Libel Suit

The Associated Press
LONDON — The International Amateur Athletic Federation on Friday dismissed a U.S. court judgment awarding Butch Reynolds \$27.3 million as "worthless" and said it would consider suing the runner for libel.

The IAAF said it also could impose a further ban on Reynolds, the world-record holder in the 400 meters. His suspension ends Dec. 31.

A federal judge in Columbus, Ohio, made the award against the IAAF on Thursday. The judge found that Reynolds, a silver medalist in the 400 at the 1988 Olympics, lost \$6.8 million in potential earnings during his suspension. In addition, Reynolds was awarded \$20.5 million in punitive damages.

Reynolds was banned by the IAAF for two years after testing positive for the banned steroid Nandrolone in August 1990. Although Reynolds has maintained his innocence, an IAAF arbitration panel upheld the ban in May.

In a statement on Friday, the IAAF said the arbitration panel's ruling was binding, and it threatened action against Reynolds.

"It has been suggested that the results of these proceedings in some way vindicates Mr. Reynolds," the statement said. "They do not. The award of damages is effective only in Ohio."

The federation said that at its next court meeting, in January, it would "consider the possibility of commencing proceedings against Mr. Reynolds for libel and taking further disciplinary action under IAAF rules."



WEATHER BEATEN — A.J. Kitt of the United States soaring to the fastest time in the first leg of the men's downhill Friday in Val d'Isère, France. But after first being delayed, the race was canceled because of high winds and heavy snow. Kitt won the downhill at Val d'Isère last year.

5-Year Deal to Keep Puckett With Twins

Compiled by Our Staff From Dispatches

MINNEAPOLIS — Kirby Puckett ended months of speculation about his future on Friday when he agreed to remain with the Minnesota Twins for a five-year contract worth about \$30 million, sources said.

The deal was set to be announced at a news conference later Friday.

Puckett, 31, has spent his eight-year career in the major leagues with the Twins. He helped lead Minnesota to World Series titles in 1987 and 1991 and is a six-time Gold Glove outfielder.

He has a .321 career average. He was second in the American League last season at .328, led both leagues in hits with 210, drove in 110 runs and finished second in the voting for AL MVP.

Puckett tentatively agreed to a five-year deal with the Twins worth \$27.5 million in July, but owner Carl Pohlad reportedly mixed it.

Earlier this week, Puckett visited with officials from the Boston Red Sox and the Philadelphia Phillies.

Also Friday, the Houston Astros added their second premier pitcher this week, agreeing to a \$17 million, four-year contract with left-hander Greg Swindell.

Swindell, 27, who pitched last season for Cincinnati, lives in Houston and played at the University of Texas. His first choice was to play with the Astros.

Swindell was 12-8 last season with a 2.70 earned run average and has a 72-63 career record. He spent his first five seasons with Cleveland before the Indians traded him to the Cincinnati Reds last year for right-handers Jack Armstrong, Scott Scudder and Joe Turek.

The deal, which contains a club option for 1997, was scheduled to be announced at a news conference later Friday.

On Tuesday, the Astros agreed to a \$19.5 million contract with Doug Drabek, the 1990 National League Cy Young Award winner.

The New York Yankees planned to announce on Friday that they had agreed with shortstop Spike Owen on a three-year, \$7 million contract.

Owen, 31, hit a career-high .269 with seven home runs and 40 RBIs last season for Montreal. He made nine errors in 116 games.

Owen, who made \$1.1 million in 1992 in the last season of a \$3,255,000 contract, gets a \$750,000 signing bonus, \$2 million in 1993, \$1 million in 1994 and \$3.25 million in 1995.

The Yankees and Barry Bonds, meanwhile, did not speak after Bonds rejected their offer.

Bonds does not have a long line of teams waiting to sign him after his agent's initial demand of \$50 million for seven years.

Noting Bonds' rejection of the Yankees' offer of slightly more than \$36 million for five years, a club official familiar with the pursuit of the two-time most valuable player said Thursday that two teams remained in serious contention.

The official identified one team interested in Bonds as the Boston Red Sox. He said the other team was in the National League but would not identify it. Executives of every National League club — all 14 were contacted in the past two days — said their club was not the one, although some said they would love to have Bonds.

(AP, NYT)

SIDELINES

3 Share the Lead in \$1 Million Golf

SUN CITY, South Africa (AP) — Nick Price of Zimbabwe shot a bogey-free 67 on Friday to share the lead with Ernie Els and David Frost of South Africa halfway through the Million Dollar Challenge golf tournament.

The threesome, each with a 54-hole total of 5-under-par 139, led world No. 1 Nick Faldo and John Cook by two strokes in the quest for golf's richest prize — \$1 million. Bernhard Langer of Germany, the defending champion, was another shot behind at 142.

In Melbourne, the Australian rookie Robert Allenby shot a 4-under-par 68 on Friday to take a two-stroke lead over his compatriot Mark Allen after the second round of the Johnnie Walker Classic.

Lombardi Prize to Seminole's Jones

HOUSTON (AP) — Linebacker Marvin Jones, the leader of third-ranked Florida State's defense, has won the Lombardi Award as the top college football lineman.

Jones, a finalist for the award last year as a sophomore, beat out Washington's Lincoln Kennedy, West Virginia's Mike Compton and Alabama's Eric Curry for the honor.

Jones had 111 tackles this season and constantly pressured the quarterback. Florida State's only loss was to Miami, and the Seminoles could get a rematch against the top-ranked Hurricanes in the Fiesta Bowl if No. 2 Alabama loses to Florida on Saturday.

Court Rejects Aga Khan's Challenge

LONDON (Reuters) — The Aga Khan, one of the world's leading racehorse owners and breeders, failed on Friday in a bid to challenge the supremacy of the British Jockey Club over the disqualification of his 1989 Epsom Oaks winner Alysha.

Three Court of Appeal judges, sitting at the High Court in London, held that the ruling by racing's all-powerful controlling body was not open to judicial review. They ruled that such a review was confined to matters of public law involving governmental bodies and tribunals — but not organizations like the Jockey Club.

The senior judge, Sir Thomas Bingham, accepted that the Jockey Club regulated a significant national activity, exercising powers affecting the public in the interest of the public. But in a comment which appeared to leave the door open for a further appeal to the House of Lords, he added that he was not ruling that the club's decisions could in no circumstances be susceptible to judicial review.

FIFA Upholds Ban on Yugoslavia

ZURICH (AP) — The ruling body of world soccer on Friday rejected a request that it reconsider a ban on Yugoslavia from competition for the 1994 World Cup, a spokesman said.

FIFA ruled on Oct. 1 that Yugoslavia would be barred because of United Nations sanctions on Serbia and Montenegro, the two remaining Yugoslav republics. But the Yugoslav prime minister, Milan Panic, had written to FIFA requesting that it reconsider.

The FIFA executive committee considered the letter at its meeting on Friday, said a FIFA spokesman, Guido Tognoni. But he said "nothing has changed, and we cannot reconsider this request."

Maradona Allowed to Stay in Seville

ZURICH (AP) — Soccer's ruling body on Friday rejected a protest from the Italian club Napoli and said the Argentine striker Diego Maradona could continue playing for Sevilla, a spokesman said.

The FIFA executive committee found the bank guarantees provided by Sevilla were adequate. The decision was the latest round in a long-running dispute over Maradona. Sevilla bought the rights to the player from Napoli in a \$7.5 million deal worked out in September.

Coach Says Strauss May End Career

BONN (Reuters) — The former world champion Astrid Strauss is likely to quit swimming after her doping ban was increased by a year, but the case has still been a major embarrassment to Germany, a top coach said Friday.

The International Swimming Federation increased Strauss' international ban to 18 months on Thursday after the German federation, the DLV, had struck a deal with the swimmer to keep the suspension down to six months. The German national team coach, Manfred Thiesmann, said the idea of the federation seemingly bargaining with Strauss, who had fought the ban through Germany's civil courts, had damaged the country's international image.

"All the signs are that Strauss will probably not swim any more," Thiesmann said. "But it has been embarrassing to see the DLV getting involved in compromises."

The federation struck a deal with Strauss, who blames a positive test in March for the steroid testosterone on a heavy beer-drinking session, to keep the ban low by not reporting the case to the international body. But the body's general secretary, Gunnar Werner, called for a special report on the matter and the group decided on Thursday to extend the ban internationally for 18 months.

For the Record

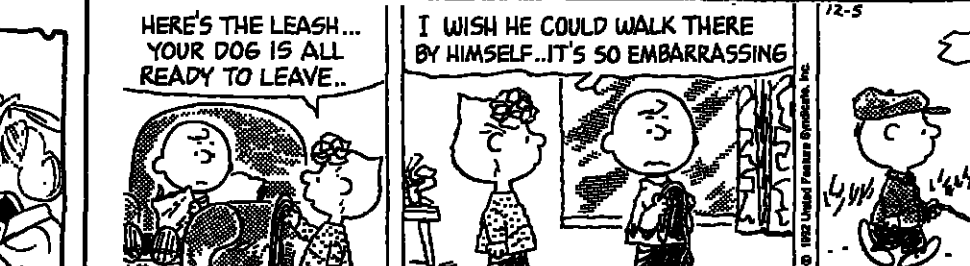
Jeff Harding of Australia retained his WBC light-heavyweight boxing title by outpointing David Vedder of the United States on Thursday in St. Jean de Luz, France. (Reuters)

DENNIS THE MENACE



"HEAR THAT? HE CAN TURN ANY FOOD INTO A MUSICAL INSTRUMENT."

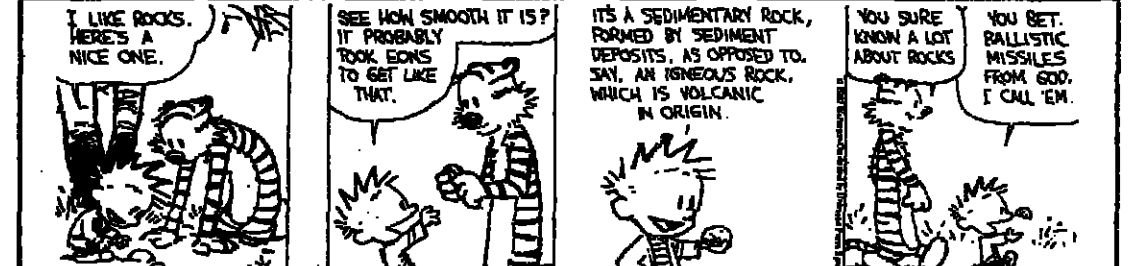
PEANUTS



HERE'S THE LEASH... YOUR DOG IS ALL READY TO LEAVE...

I WISH HE COULD WALK THERE BY HIMSELF... IT'S SO EMBARRASSING

CALVIN AND HOBBS



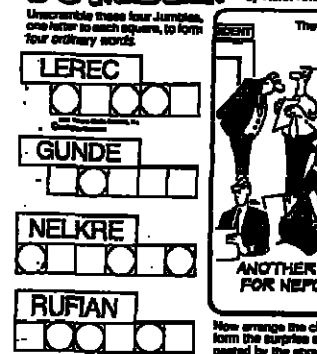
I LIKE ROCKS. HERE'S A NICE ONE.

SEE HOW SMOOTH IT IS? IT'S PROBABLY FORMED BY SEDIMENTATION, AS OPPOSED TO, SAY, AN IGNEOUS ROCK, WHICH IS VOLCANIC IN ORIGIN.

YOU SURE KNOW A LOT ABOUT ROCKS.

YOU BET. BALLISTIC MISSILES FROM GOD. I CALL 'EM.

JUMBLE



Answer here: A

BLONDIE



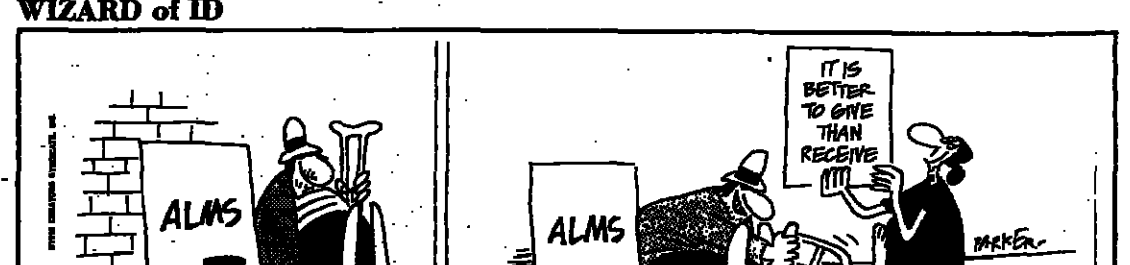
WHY DON'T YOU EVER WEAR THIS NICE SUIT?

AND THESE SLACKS? OKAY, I'LL LOOK SO NICE BUT YOU NEVER WEAR 'EM.

WHY DON'T YOU EVER WEAR THIS GREEN DRESS?

PLEASE, DEAR, STAY OUT OF MY THINGS.

WIZARD of ID



IT IS BETTER TO GIVE THAN RECEIVE.

BEEBLE BAILEY



WELL, CAMP SWAMPY SURVIVED THE LATEST CAMP CLOSINGS.

I WONDER HOW?

IT APPEARS THEY WON'T ADMIT WE EXIST.

DOONESBURY



JUST A MINUTE, SR. I'LL SEE IF I CAN FIND HER.

JOANNE, IT'S THE CALL.

THE CALL?

JOANNE GOT THE CALL?

JOANNE? I HATE YOU.

IS IT THE ONLY I GOT THE CALL?

GARFIELD



I'M GETTING ORGANIZED.

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DAVE BARRY

Killer Yule Trees

MIAMI—Tis the holiday season—a time when writers openly use words like "tis" and even "twas"; a time when throngs of excited parents bustle into the Toys R Us "Costing 'U' Pleasant" store and club each other with sturdy Tonka trucks in fierce holiday struggles over who gets to purchase the only remaining unit of the toy industry's hottest new product concept, Baby Fester Face ("The Doll That Develops REAL BOILS!"); a time when festive gatherings of loud, eggog-impaired people attempt to sing "The Twelve Days of Christmas" despite the fact that nobody ever remembers what my true love gave to me after Day 5:

... drummers milking
... EIGHT leapers leaping
... SEVEN figgy puddings
... SIX snakes a-molting
Yes, the holiday season is a time of traditions, and here in the newspaper industry we have a cherished tradition of reminding you, the public, of all the holiday-related ways in which you can get injured or killed. We also perform this service for you on Memorial Day, the Fourth of July, Labor Day, Halloween and Thanksgiving.

The Latest Incarnation of Philip Johnson

By Michael Z. Wise
Washington Post Service

NEW YORK — As one of America's best-known practitioners of architecture, Philip Johnson is inevitably labeled dean of the profession. But there is less enamored of his protean, power-broker approach to design consider him the Godfather. Both revered and reviled, Johnson is attracting renewed attention as he embarks on yet another stage of his restless career, founding a new architectural firm at the age of 86.

It's like rebirth, Johnson exclaimed in his latest office, perching his perfectly tailored, rail-thin frame on a Robert Venturi chair. Another prop from the 20th-century architectural grab bag, round black eyeglasses in imitation of Le Corbusier, accentuates Johnson's hoot owl gaze. "It's just that great thing of starting out and I get a second time, another chance, long after I'm supposed to."

His current incarnation comes after more than two decades in tandem with the Chicago architect John Burgee. With Johnson's stylish flair and vision complementing Burgee's administrative skills, the duo formed one of the most dominant and prolific American architectural partnerships. Together they strew skyscrapers in assorted postmodern historical modes across the country and beyond.



Philip Johnson in his new office in New York City.

Adapted at certifying trends, Johnson helped introduce the so-called International Style to the United States in 1932 as a curator at New York's Museum of Modern Art. After studying under Walter Gropius at the Harvard Graduate School of Design, he joined forces with Ludwig Mies van der Rohe to create the landmark Seagram Building on Park Avenue. But Johnson subsequently broke loose from modernist constraints and was instrumental in prodding corporate America to swap Bauhaus-inspired boxes for classical detailing as the preferred style of their headquarters.

His influence and celebrity were confirmed in 1979 when he appeared on the cover of Time magazine, wielding a model of his monumental AT&T building as if it were a cudgel. The younger, less-known Burgee was nowhere in sight. Baffling Johnson's brand-name status, the recent demise of the partnership was front-page news in The Wall Street Journal.

"I've never had so much fun in all my life," Johnson enthuses. He puts in four full days a week at the office. A fifth is spent drawing at his celebrated Glass House in New Canaan, Connecticut. He continues to make regular luncheon appearances at the Four Seasons restaurant he designed in the Seagram Building. Business travel goes on at a furious pace, of late taking him to Japan, Berlin, Switzerland, Ohio, Florida and Texas.

"He's very vibrant right now," said Donald Porter, a former Burgee associate who is one of two full-time architects now working with Johnson. "He's having a ball. Architecture is his life."
Reclaiming his renewed energy, Johnson is nonetheless preparing for the day when he has left the scene. He has donated the glass country home to the National Trust for Historic Preservation for use as a public museum. He has drawn up a new pavilion that will eventually serve as a visitors' entry to the walled compound where he has built follies, a sculpture garden and an underground art gallery.

He is also cooperating with the author of his first full-scale biography, the Chicago critic Franz Schulze. Publication was originally slated only after Johnson's death; late 1993 is now the target date.
Johnson vows to restore attention to detail. "Now when I do something I watch every little edge, corner of every table, every heating fixture, every lighting fixture."
It was this painstaking approach that he took to the interiors of the Seagram Building. But so, too, was the stately tower completed in the late 1950s than Johnson opted for a more sculpted neoclassicism in designs for the original Amon Carter Museum, the New York State Theatre at Lincoln Center and the Sheldon Memorial Art Gallery in Lincoln, Nebraska. The work produced in this period referred to as monumental buildings executed under 1930s fascism and recalled Johnson's own enthusiasm upon visiting Hitler's Germany and his involvement in a short-lived U.S. rightist movement.

PEOPLE

Liberty Bows to Palace: No Dummies, Please

Once upon a time in the West End: Liberty of London has dismantled a Christmas window display featuring puppet caricatures of three members of the royal family — Prince Andrew, the Duchess of York and Prince Edward. The Sun newspaper says the withdrawal was done after Buckingham Palace complained. The puppets were dressed as characters from pantomime: Andrew, the third oldest of Queen Elizabeth's four children, was Prince Charming; his estranged wife, the duchess, was a fat Cinderella, and Edward, the youngest of the queen's children, was one of the Ugly Sisters from the Cinderella story. Puppets of non-royals remain: Prime Minister John Major is one of the Babes in the Woods and the pop star Cher is Mother Goose.

Princess Stephanie of Monaco has left the hospital and gone home with her week-old son, Louis. Stephanie managed to evade a horde of reporters and photographers waiting outside the Princess Grace hospital.

Kevin Roche, the Irish-born designer of such landmarks as the Oakland Museum in California and the Ford Foundation headquarters in New York, has been named the winner of the 1993 American Institute of Architects' Gold Medal. Roche joins such other architects as Walter Gropius, Le Corbusier, Tange Kenzo and Buckminster Fuller in receiving the medal, considered architecture's highest honor.

Dewi Sukarno, the former Indonesian first lady, has pleaded guilty in Colorado to slashing a socialite's face at a bash in Aspen in January. She is to be sentenced in January on a misdemeanor charge of disorderly conduct for attacking Maria Osmena with a champagne flute. Osmena, whose grandfather founded the Nationalist Party in the Philippines, had a shard of glass removed from her cheek and received 37 stitches.

INTERNATIONAL CLASSIFIED
Appears on Pages 6 & 7

WEATHER

Weather forecast section including maps for Europe, North America, Asia, and Oceania, with temperature and precipitation data for various regions.

Court Cases By Jeanette K. Brill

Crossword puzzle grid with clues for Across and Down sections, including words like 'Weep aloud', 'Choir member', and 'Jehoshaphat's father'.

BOOKS

DONOVAN'S WIFE

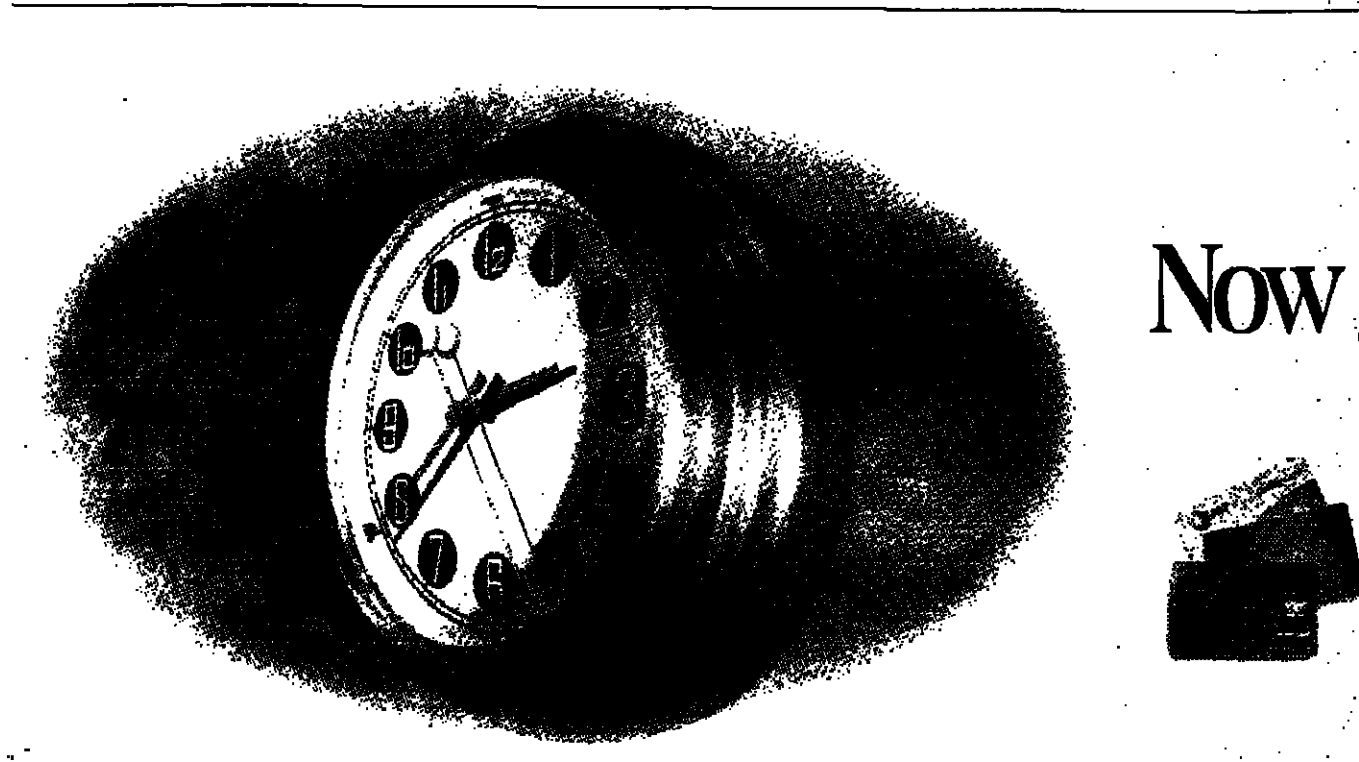
By Tom Wicker. 335 pages. \$22.
Reviewed by Patrick Anderson
TOM WICKER recently retired after three decades as a political reporter and columnist for The New York Times. If this novel is a farewell to the Washington he covered so long and so ably, it is hardly a fond farewell.

challenge a respected older senator with presidential ambitions. The party boss provides him with a go-for-the-juggler young media consultant, who proceeds to accuse the senator of having had an affair with a female lobbyist. Insofar as Vic Donovan (soon known as Tricky Vic) has a positive message, it is implacable opposition to pornography, gun control and people who don't eat red meat.

send the reader screaming to "Monday Night Football," MTV or the nearest bar. Happily, there is another level, involving two people who stand apart from the prevailing venality.
One is Milo Speed, a sixtyish political columnist. Speed is a melancholy figure, divorced and childless, fearful that young reporters may not know who he is, even more fearful that he is losing the sexual prowess for which he has long been celebrated. He would have little interest in Donovan's campaign except for the inconvenient fact that he's in love with Donovan's wife.

Inevitably, the romance that Josie and Speed had thought secret becomes caught up in the maddening of her husband's campaign.
Wicker manages a good deal of suspense, both on who will win the election and how the lovers will survive the scandal. But I think the suspense is not Wicker's main concern. He seems both angry and amused by the spectacle of modern American politics, and he lays it out in excruciating detail. At the same time, he is saying there are human values that mean, or should mean, more than the endless scramble for political or journalistic glory.

Patrick Anderson, whose political novels include "The President's Mistress" and "Busybodies," wrote this for The New York Times.



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